FOREIGN AFFAIRS

AN AMERICAN QVARTERLY REVIEW

The Bicentennial—Alastair Buchan, Felix Gilbert and George Kennan.
The Italian Crisis—Guido Carli and Sergio Segre.

JVLY

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FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW

JULY 1976

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EDITOR'S NOTE

Foreign Affairs has a long tradition of letting the articles that appear in it speak for themselves, and of introducing them only through the Table of Contents and through the Contributors' Notes that customarily occupy this space. However, the Bicentennial series of historical articles that begins in this issue, the actual anniversary of July 1776, calls for a word of explanation.

Just over a year ago, Alastair Buchan of Oxford volunteered to do an article on British-American relations to appear in the present issue. From this germ sprang the idea of a more extensive series of historical articles examining central strands in American foreign policy over the first two hundred years. The aim is to bring to our readers reflective essays that not only interpret the past but relate past experience to major problems and attitudes that continue to be at the core of the worldwide agenda with which the United States now deals.

Felix Gilbert on the foreign policy legacy of the Founding Fathers, Professor Buchan's article, and George Kennan on Soviet-American relations since 1917, inaugurate the series. In the next two issues we plan to run historical articles dealing with American relations with France, our oldest ally; the often-troubled relationship between the United States and Latin America; the role of the United States in relation to the balance of power in Europe and East Asia, respectively; and the foreign economic policies of the United States.

Tragically, the originator of the series, Alastair Buchan, died suddenly this February just after completing his manuscript. Alastair had been for years a leading contributor both of articles and ideas to *Foreign Affairs*. His death is a grievous loss to us all, who counted ourselves his dear friends. The cause of world peace had no stauncher supporter, nor the ups and downs of American policy a more discerning and yet sympathetic critic. As a small token of our esteem, we dedicate the series to his memory.

The customary information on contributors will be found with each individual article. Readers will also note in this issue a few changes in format, which are experimental and on which we invite their views.

William P. Bundy

The articles in FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there.* The Editors.

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BICENTENNIAL REFLECTIONS

By Felix Gilbert

THE best that history can give us is to arouse our enthusiasm" —Goethe's famous reflection on the value of history has found little favor with historical scholars who can rightly claim that a careful analysis of past events and of the structure of the society of other times can help us to understand the complex character of the world in which we live. Yet if we consider the impact of history in more general and more primitive terms, there is much truth in Goethe's statement. The re-evocation of outstanding national achievements and of a nation's great leaders reinforces social coherence and creates pride and confidence in the future. The commemoration of victories, the observance of the anniversaries of crucial years in the history of a nation—as much as such celebrations have the danger of stimulating the worst instead of the best in the national character—have a justification in revealing the values on which a society was built and in strengthening the bonds that hold it together. When Machiavelli stated that, from time to time, every society must return to its beginnings, "its principles," he gave a conscious formulation to that which every country has practiced in the past and will continue to practice in the future.

Even if we accept that such observances are inherent in the nature of political life, it must be recognized that the celebration of great events of the past has special characteristics and peculiar dangers in the United States. If the message of the past in the great European countries, which, in their long and extended history, have undergone many changes and revolutions, has been rather indistinct and might be summed up as enthusiasm, such celebrations have a much more precise meaning in the United States, still relatively close to the years of its emergence as an independent power. They contain an appeal to return to the principles on which the new state was founded. If the present world does not fulfill the original expectations, the reason is a conscious or unconscious deviation from the wisdom of the Founding Fathers. The beliefs and convictions which are thought to have inspired the organization of the early republic still have validity and applicability, and national celebrations serve to remind the American people of the true character of the republic and of the excellence of its institutions. America still lives under the constitution which was established in the eighteenth century. As far as internal developments are concerned, all changes that have taken place have emerged from the framework set up at the beginning. There is meaning in considering the principles which inspired the original establishment, for they provide the criteria against which the political life of the present might be measured.

But it is something entirely different if the same authority is assigned to the doctrines which determined the thinking on foreign affairs in the young republic. For in a democracy, the internal organization of the political society lies in the hands of the citizens, and they can build on the basis which was laid, according to

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their will. An equal freedom of choice, of direction, an equal amount of self-determination does not exist in the area of foreign affairs. Foreign policy takes place in an arena which only to a small extent can be shaped by the national will; other powers and external factors play their part in its formation. Accordingly, the influence which can be exerted on changes in the constellations of foreign policy is limited. There are dangers, therefore, in extending to foreign affairs a belief in the permanent validity and authority of the principles which guided the first steps of the young republic. Yet such views have been tenuously held; even if it is realized that the world in which we now live is widely different from the world that was, there is still an inclination to cling to the assumptions and prejudices which colored the attitude toward foreign affairs in the past. The present celebration of the bicentenary gives reason to reflect on what the ideas and actions of the Founding Fathers in the field of foreign affairs actually were and what they have meant in the course of our history.

II

The constellation under which the British colonies in North America became an independent sovereign state was unique. With the French surrender of Canada and the weakening of the power of Spain in the south, foreign nations no longer represented a threat to the narrow stretch of settlements along the Eastern Atlantic coast. Their expansion toward the west had always been a task taken on by the settlers themselves rather than by the military forces of England. The colonies on the North American continent were not regarded as more—perhaps even as less—valuable than other British possessions such as the sugar islands of the West Indies. For the British, the American colonies were useful chiefly as a market for manufactured goods, and unavoidably the question arose whether the protection which Britain offered was worth the disadvantages of the restrictions which were implied in the colonial relationship and which hampered the commercial development of the colonies. All this is known, but it needs to be mentioned because it explains why freedom of commerce and freedom of navigation appeared as the most essential element of sovereignty and the most fundamental aim of foreign policy when the new nation was founded.

Yet the demand for a new regulation of the relations between England and the American colonies arose at a moment—and that was the most significant factor in the unique constellation existing at the time of the birth of the United States—when the entire system of European politics had come under heavy criticism, when the ruling classes seemed to disregard and suppress those groups and interests which represented the most vital forces in society. In this period, the middle classes, as the driving forces in the expansion of commerce and the promotion of industrial activities, felt strong enough to challenge the monopoly of power, and the privileges, possessed by a ruling class rooted in the traditions of a feudal past. This tension created the climate for the accusations which the *philosophes* of the Enlightenment raised against the oppressive and irrational institutions and mores of the Ancien Régime. A particular target was the conduct of foreign policy. The partitions of Poland, by which a whole nation was rubbed off the map as a result of the arbitrary decisions of three despots, were seen as a prime example of the criminality of the foreign policy of the Ancien Régime. Voltaire's haunting description of a battlefield in *Candide* was intended to show the senselessness of wars and the contemptuous disregard of rulers for the lives of their subjects. If rulers would only follow the dictates of reason and reasonableness, peace would reign.

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But the rejection of war, of military triumphs and territorial expansion, also implied criticism of the entire scale of values from which the activities of power politics arose. Manly prowess, honor, heroic behavior—these were virtues of a class formed in the age of feudalism. They were not the virtues which the bourgeoisie esteemed and cultivated. Their actions and the success of their actions were based on prudence, on rational calculation, on a reputation of reliability, on recognition of reciprocity of interests. Transferred into the field of foreign affairs, the true methods and aims of foreign policy became willingness to compromise; the interest of an individual nation was regarded as inextricably bound up with the common interest of all nations, the general interest. The aim of foreign policy was the establishment and maintenance of peace. The gist of these ideas can be found in a famous eighteenth-century comedy, Sédaine's *Philosophe sans le savoir;* there the modest and prudent merchant emerges as a person far superior to all the elegant figures of aristocratic society. By pursuing his trade, which extends to the farthest corners of the world, he serves the interest of all nations and ties the entire globe together in peaceful cooperation. Sédaine's comedy expresses the belief, widely held by the intellectuals of the eighteenth century, that the era in which feudal values had dominated was at its end and that a new era—a *novus ordo seclorum*—was beginning.

The people who were the personal embodiment of the amorality of the politics of the Ancien Régime were the men who served the despots in carrying out their sinister plans in foreign policy: the diplomats. The *philosophes* spoke of them in most biting terms. They were "competitors in grimaces," they were the practitioners of an "obscure art, which hides itself in the folds of deceit, which fears to let itself be seen and believes it can succeed only in the darkness of mystery." Secrecy, incitement of hatred, deception and fraud—these were the characteristics of diplomacy. Diplomats constructed complicated systems of alliance, but lightheartedly broke commitments whenever it seemed convenient. They insisted on strict observance of complicated rules of etiquette although such rules were meaningless and ridiculous. They pretended that diplomacy was a science, based on concepts like "reason of state" and "balance of power." Actually, such notions achieve only to "please both the ignorance and the laziness of the ministers, ambassadors and clercs." And the idea of "balance of power," which the diplomats pretend to be an instrument to secure peace, in fact is dangerous, even disastrous, because "the system of balance of power is a system of resistance, consequently of disturbance, of shocks and of explosions."

The Ancien Régime—its institutions and attitudes—had not crossed the ocean or taken roots in the alien soil of North America, certainly not in New England. If "the new man" existed anywhere, it was there. And more important, it was also there that the belief in the coming of a new world order touched a deep religious vein. Although much had changed since the pilgrim fathers had set out to escape from the tyranny of a catholicizing church and monarchy, there remained a strong feeling that their aim ought to be the building of an ideal society: they had not abandoned the dream of "the city on the hill."

It follows that the thinking of the leaders of the new nation, as far as foreign affairs were concerned, would be patterned by the criticisms which the system of the power politics of the Ancien Régime and its diplomacy had provoked. It is less clear, however, what these general assumptions meant for the concrete course which the new republic should pursue in its foreign policy. European corruptness

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and amorality might lead to the conclusion that it would be best to consider the ocean as a wall which ought to separate the European from the American world and to withdraw as far as possible from contacts with the European nations. Such an inclination was reinforced by the English ties of the colonists. Since the Hanoverians had ascended the English throne and their concern for the interests of their continental fiefdom had become a factor in British foreign policy, a public debate had been engendered in England about the appropriateness for Britain to conclude alliances with continental powers and to become involved in continental wars. Some of the political pamphleteers argued that "treaties of commerce are Bonds that we ought to contract with our neighbors," but all other continental connections and involvements were dangerous and in contrast to the true interest of England: "Nature has separated us from the continent . . . no man ought to endeavour to join what God Almighty has separated." Therefore, England's foreign policy ought to be guided by "*principes isolés.*"

But if religious belief and echoes of disputes in England recommended to the colonists the breaking of all ties with Europe, the same feeling of opposition and hostility toward the Ancien Régime might also lead to a different course: to take the lead in terminating a system that trampled on the rights of humanity, and to assume an active role in establishing a new and better world order, in which there would be peace and prosperity through commerce. Eighteenth-century optimistic trust in progress easily combined with a feeling of religious duty: the Enlightenment's conviction of the perfectibility of humanity reinforced the missionary element in Protestantism. There was also considerable realism in this view of the task of the new nation. Its organization took the form of a republic, and as such it was an outsider in the world of monarchies; it could be argued that, in order to survive, a republic would have to destroy the system of monarchical absolutism which held sway in Europe. With the outbreak of the French Revolution, this issue became a matter of practical decision.

A confusing array of interrelated but also contradictory ideas and suggestions for the course of American foreign policy was contained in the discussions and writings of English radicals and enlightened *philosophes,* to whom the colonists felt a natural affinity and whom they considered as natural allies. Peace and unrestricted commerce seemed the basic aims and exigencies of a new world order. The corruption and amorality of the Ancien Régime made withdrawal from the European world an appropriate attitude, but did not such separation require a thorough change and a novel organization of economic life, and was it not incompatible with the development of commerce which appeared to be the natural instrument for developing the resources of the new nation? And did a move toward isolation and separation not mean acting against the prescripts of God and Nature? Was it not a duty to take an active part in creating a new world order, which, as many signs seemed to indicate, was the next and final stage in the development of history and near attainment?

Moreover, decision about the road to be taken could not be based on purely theoretical considerations. Possibilities and choices were limited and restricted by the need to attain and secure the independence of the new nation in a world which was still ruled by the principles and notions of power politics, balance of power and reason of state.

Divided opinions about aims and actions dictated by the needs for survival during the early years of the American republic resulted in a wavering course, and

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sometimes produced a lack of frankness which was hardly compatible with the ideas and ideals of a new diplomacy. Examples are the negotiations about French support in the war of independence, and later those about peace with England. Certainly, the representatives sent to France received as instruction a "Model Treaty" which restricted any connection with France to trade and precluded preference to particular nations; commerce ought to be entirely free. When the treaty was concluded, however, it contained not only commercial but also political arrangements; it was a traditional political alliance. Restriction of diplomatic agreements to treaties securing complete freedom of trade remained the American ideal, but such agreements were concluded only with a country like Prussia which was barely involved in trade on the Atlantic Ocean.

In the peace negotiations with England, the representatives of the United States proceeded behind the back of their French ally, and if such behavior was successful, it hardly corresponded to what one would expect from the protagonists of a new morality in foreign affairs. But if the wavering course of American foreign policy revealed not only the difficulties which a novel and idealistic approach in foreign policy encountered in practice, it also reflected the uncertainties in the minds of the leading American statesmen about the right course; they themselves wavered and shifted in their views.

III

When the United States became independent, John Adams and Jefferson were leading advocates of a new diplomacy. In the early months of 1776, Adams set down his views on the relations which an independent America should establish with other powers; he emphasized that they ought to be neither of a political nor a military character, but entirely limited to "commercial connections." He himself drafted for the American mission to France the "Model Treaty" which formulated these ideas about the need for a new approach in relations among nations. When he was sent to Paris, he reported with lively approval the criticism which the men of the Enlightenment uttered "against the practice of lying, chicanery and finessing in negotiations," and emphasized that he was a diplomat in a new key. He told the French Foreign Minister that "the dignity of North America does not consist in diplomatic ceremonies or any of the subtleties of etiquette; it consists solely in reason, justice, truth, the right of mankind and the interests of the nations of Europe." But when he became involved in the conduct of the peace negotiations, he was almost more distrustful of the intentions of the French allies than the skeptical diplomats of the old school would have been, and he was not incapable of a certain amount of deception. In his later years he became convinced of the need for alliances, particularly with Great Britain, in order to guarantee the security of the United States; he even began to recognize the usefulness of an "equilibrium, a balance of power."

In the case of Adams, the evolution from an idealistic to a realistic concept of foreign affairs probably corresponds to his general development. The young radical became a conservative in his later years; in this, he is a more interesting and richer mirror of his time than the television hero holding with cantankerous obstinacy to the simple virtues of his youth.

In contrast to Adams, there is in the case of Jefferson less an evolution of thought than a lifelong adherence to different, even divergent, strains of thinking. Originally, Jefferson had been the most extreme advocate of a complete separation

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from Europe; he saw in commerce the great danger of luxury and corruption and regarded an agrarian society as the form of life most appropriate to America because, as an agrarian country, she could exist by herself, independent of contacts with the outside world for the fulfillment of her material needs. Even when Jefferson was forced to admit that this was not the route the Americans were traveling, he considered the maintenance of diplomatic relations with other powers—and that meant the existence of an American diplomatic corps—as superfluous and dangerous for peace; a few consuls at centers of trade ought to suffice. Jefferson also fervently believed in the coming of a new and better world order, and wanted the United States to use its influence and strength to support those movements and nations which struggled for this aim against the powers of the Ancien Régime. The notion that the United States had to set an example and had a mission to fulfill—to bring about the end of war, power politics and old-style diplomacy—was firmly fixed in Jefferson's mind. This view is reflected in the sympathy which he felt for the French Revolution and its leaders. But when the situation demanded, he could threaten war or pursue an expansionist policy for the United States.

There was one figure on the American scene who never shifted or felt hesitations, who had only contempt for the missionary approach to foreign policy and who believed that the United States should become one state among others: that was Alexander Hamilton. He found nothing concrete or substantial in the "idle theories which have amused us with promises of an exception from the imperfection, weaknesses and evils incident to society in every shape. Is it not time to awaken from the deceitful dream of a golden age and to adopt as a practical maxim for the direction of our political conduct that we, as well as the other inhabitants of the globe, are yet remote from the happy empire of perfect wisdom and perfect virtue?" Hamilton had no doubt that the United States would have to follow a course of power politics. If he ever made any concession to the demand for keeping the American and European worlds apart, it consisted in envisaging a restriction of American power politics primarily to the Western Hemisphere: the United States ought to aim at "an ascent in the American system." But Hamilton was an exceptional figure; in domestic affairs as well he was inclined to favor centralized institutions directed from above; his authoritarian and aristocratic tendencies show that he was a man of old Europe rather than of the New World.

In comparison to Hamilton's clear and decided attitude, the wavering between a variety of aims and methods by the other leaders of the new nation leaves the impression of uncertainty and weakness. But it ought to be recognized that what might appear as indecision was an almost necessary consequence of the political constellation into which the American republic arrived. A new state will always meet opposition before it is accepted as an independent equal, and it will have to feel its way tentatively and cautiously to a place in the existing state system. For the United States, this task was all the more difficult because the state system itself was in crisis and every step could mean involvement in the conflicts which were developing.

Of course, the main conflicts in the young republic were over domestic issues, but with the outbreak of the French Revolution, foreign policy was unavoidably drawn into the struggle. The questions whether the United States ought to withdraw into a completely neutral position, whether it should tolerate the British blockade of France and thereby reconstruct a special relationship with England on a new basis, or whether it should support the French attempt to set political life

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in a new framework, were deeply connected with issues of economic interest and of social organization. A pro-French versus a pro-British attitude almost became the crucial and divisive issue in American party politics.

It is well known that an important motif in the composition of Washington's Farewell Address was the President's fear that the divisions over foreign policy might be fatal to national union. But his conciliatory purpose could not be achieved if he pronounced for one side in this conflict. It is characteristic that leaders of the two opposing factions, Madison and Hamilton, had a hand in drafting the Farewell Address, and, indeed, the most influential part of the Farewell Address, the section on foreign policy, was an attempt to embody the various strands of the thinking on foreign policy and to synthesize them.

Emphasis is placed on the separation of America from Europe; and the view of the distinctiveness of these two continents is expressed in terms of the doctrine of the interests of the state, popular with writers and diplomats of the Ancien Régime: "Europe has a set of primary interests, which to us have none or a very remote relation." In accordance with the foreign policy practiced in the Ancien Régime, Washington acknowledged the necessity of alliances although he would like them to be "temporary alliances for extraordinary emergencies." The dislike of traditional diplomacy, which this limitation to temporary alliances suggests, was then directly expressed in the contemptuous way in which Washington spoke of "the toils of European ambition, Rivalship, Interest, Humour or Caprice." Washington rejected the immorality of the diplomacy of the Ancien Régime; he demanded that the United States should not accept the view that the interests of a nation are sufficient reason to disregard the moral code and to practice deception and infidelity: "I hold the maxim no less applicable to public than to private affairs that honesty is the best policy." The wish that the United States enter upon a new kind of diplomacy is implied in the "great rule" with which this section begins: it is necessary "in extending our commercial relations to have [with foreign nations] as little political connection as possible." At the end it is then hinted that if commerce is left free, following "a natural course of things," then a better age might be reached, in which there will be "harmony and a liberal intercourse with all nations." All the various themes that had been raised in the discussion on foreign policy are here interwoven into a whole. Jefferson, remaining convinced of the need to get rid of the entire system of diplomacy, could take up a single theme of the Farewell Address in his warning against "entangling alliances," and John Quincy Adams, in drafting the document that became the Monroe Doctrine, could enlarge on Washington's distinction between a European and an American system.

IV

Whereas, in the light of the intellectual trends prevailing at the time when the United States entered upon the political scene, the substance and impact of the Farewell Address can be easily understood, it needs to be explained why the meaning of Washington's message was primarily seen as a recommendation of isolationism, and why Washington's advice was raised to a dogma which was assumed to possess validity for all future times. In the eighteenth century, many rulers and statesmen composed documents—political testaments—in which they expressed what they considered to be the "permanent maxim" of their state, but most of these recommendations fell into oblivion as soon as the author had died. What gave Washington's "political testament" superior and more lasting authority?

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In the United States, an almost binding force on all future generations was ascribed to the pronouncements of the Founding Fathers, partly at least to emphasize unity, coherence and continuity and to counter the dangers of disintegration. Washington's "great rule" shared the esteem enjoyed by all the pronouncements of the Founding Fathers. But this is not the only, and probably not the decisive, reason for the authority which the section of the Farewell Address on foreign policy acquired. Just as the thinking about the direction which the foreign policy of the young republic ought to take was linked to the particular intellectual and political constellation existing at the end of the eighteenth century, so also the fact that the Farewell Address gained the character of a dogma and that its content became reduced to a recommendation of isolationism was determined by the political constellation which emerged in the nineteenth century. After the upheavals of the French Revolution and the Napoleonic era, Europe entered upon a period of restoration and reaction. This was no time for a missionary idealistic policy based on the belief in the coming of a new age of peace and democracy. The United States turned westward, whereas Europe, when it emerged from the stillness of reaction, became occupied with the tensions and fights accompanying the creation of national states in Central Europe. Although there were disputes over the northern borders of the United States, over European interference in Mexico or the continuous problem of the freedom of the sea, these tensions were ephemeral episodes that did not alter the main fact: during most of the nineteenth century, as far as foreign policy was concerned, Europe and the United States lived in different worlds.

At the end of the nineteenth century, in the age of imperialism, there was a twilight zone, when the American government could not withstand the temptation to expand in the Caribbean and the Pacific Ocean by accelerating the demise of the Spanish Empire, and when America's interest in extending her influence into other parts of the world was concealed under the slogan of an open-door policy. The United States was no longer an island remote from the rest of the world. The First World War put an end to views which indeed had become illusionary.

It is striking, however, that even then the policy of cooperation with a group of powers was presented and justified as an attempt to realize the aims and traditions of the Founding Fathers. Wilson saw the entry of the United States into the war as a step toward the establishment of permanent peace. The beginning of a new era in foreign policy and diplomacy was to be secured by the creation of a League of Nations in which democracy would extend into the area of foreign policy: great and small powers would have the same vote; the policy of special alliances, of a balance of power among great powers, dominating the smaller ones, would no longer be possible. The rational and liberal ideas of the Enlightenment had a strong hold over Wilson's mind; something of the internationalist spirit and the missionary zeal of these years lived in him. In abandoning isolationism and embracing internationalism, he felt sure that he was striving for the same goals the Founding Fathers had pursued.

However, Wilson's opponents, by emphasizing the ambiguities which his program contained and by making full use of the mistakes which had been made, returned to the doctrines of nonentanglement and isolationism as representing the true American tradition in foreign policy. Thus began a debate which lasted through the 1920s and 1930s and up to the beginning of the Second World War.

It was a consequence of this debate that when Roosevelt slowly and gradually moved toward support of the powers fighting Hitler, he played down the idealistic

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element which, in the war against the Nazi dictatorship, undoubtedly had a justified appeal, and instead emphasized the idea of "national security." When this concept entered political consciousness it became clear how remote from the present the concepts of isolationism and internationalism had become. Looking back to the 1930s, the debate about isolationism versus internationalism which then patterned so much of the thinking on foreign policy has a ghostlike character. The relevance of the great pronouncements on foreign policy from the early years of the republic has ended; they have become history. The world is no longer divided into different political spheres; the United States has become part of an interconnected global system. Although an all-embracing world organization exists, it is based neither on common values, identical constitutional forms nor an unimpeded flow of trade. There are blocs in which the great powers lead; there is no full equality between large and small states. In the constellation in which the foreign policy of the United States must now operate the prescriptions of the past are no longer applicable.

v

There remains the question, however, whether, although the pronouncements of the Founding Fathers can no longer be regarded as authoritative, the attitude that lay behind them has also disappeared. The answer to this question surely must be negative. In American opinion on the significance of diplomats and diplomacy, in the strongly moralistic element which permeates all considerations of foreign policy, in the assumptions about the leading role of the United States in the world, we find beliefs and hopes similar to those which inspired the thinking on foreign affairs in the early years of the republic.

Of course, such views and attitudes are not unique or peculiar to the United States. This is a democratic country, and distrust of diplomacy, an inclination to view political questions as moral questions and the notion of a special national mission are features in the attitude of all democratic nations. Diplomats, accredited to courts or governments, moving in the upper strata of society and charged with expensive representative duties requiring a high personal income, are suspected, in almost all democratic countries, of being remnants of a monarchical age and tending to authoritarian or autocratic forms of government. Nor can the assent of the people be gained to actions which might involve material losses, personal risks and even the sacrifice of life, if they are not convinced of the righteousness of the course and the special and unique value of the existence of their nation for the world. The need for a wider consensus in foreign policy forms a desirable, almost necessary obstacle to the dangers which arbitrary or emotional reaction might bring about.

The paradox of the present situation is that, if the need for an ideological consensus leads to caution and deliberateness before taking action, in our world of opposing ideologies it also increases the tension between nations. But this is not the place for a discussion of the complex connection between ideology and power politics in the twentieth century. The question is whether the preservation of feelings which dominated the thinking on foreign affairs in the early years of the republic has magnified and intensified the problems inherent in the foreign policy of a democratic country and has created difficulties and been a burden in the conduct of American foreign policy.

The attitude of the American people to diplomacy contains elements of an eighteenth-century belief that misunderstandings and conflicts among nations are the

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fault of governments which prevent direct communication from people to people. There is distrust, therefore, of the views of diplomats, who are servants of the governments and whose business is with the governments of other nations. The knowledge of a businessman who has spent some time in financial negotiations in another country, or of a military man who has talked to a few generals of a foreign country, inspires more confidence than the views of a professional diplomat who has observed developments in these countries for years. It is striking that in the United States—probably more than in any other country—important diplomatic missions are entrusted to people who are not professional diplomats. The weaknesses and limitations of the diplomatic profession are obvious, but in the United States it is frequently forgotten that it is a profession which is needed and has virtues.

However, the most outstanding feature of American foreign policy is its extremely moralistic character. Actions taken to adjust to new developments are explained as determined by the need to maintain principles basic to a moral world order; Washington's statement of the "great rule" and the proclamation of the Monroe Doctrine have been patterns for various presidential "doctrines" justifying recent actions of American foreign policy. The aura of moral philosophy, bestowed on contingency measures, imparts to American foreign policy a rigidity unsuited to the rapid changes in the political scene of the twentieth century. Wars in which the United States becomes involved are "crusades"—a notion which requires complete victory; it prejudices negotiation and compromise. The moralistic approach to foreign policy produces the almost intuitive assumption that, when the policy of the United States meets resistance, it is because its opponents are evil. To consider politics as a fight of good against evil makes it easy to believe that interference in the internal affairs of another state in favor of one party against another is permissible, even a duty. This disregard of the sovereignty of other states has been a source of deep resentment against the United States.

But the most perilous legacy which has come down to us from the eighteenth century is the American claim to world leadership. Certainly, the United States is one of the superpowers, one of the decisive forces in the world of today. But this is not identical with the idea that it is the *one* leading power, superior to all others. It is this notion, however, deeply ingrained in American thought, which is still strongly held and which we find in the speeches of politicians and statesmen. World leadership is a dangerous term, for it has a vagueness which invites almost limitless application; it has been presented as implying that the United States must be the most powerful, the economically strongest, the militarily best-equipped power. If leadership is weighed in material and quantitative terms only, it seems a means to justify domination and control rather than an appeal to cooperation; it becomes an impediment to what must be the paramount aim of foreign policy in the nuclear age: the preservation of peace. Perhaps the most valuable lesson which the Bicentennial can impart to American foreign policy is that world leadership is not a possession which can be inherited, but a privilege, for which every generation must strive anew.

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MOTHERS AND DAUGHTERS (OR GREEKS AND ROMANS)

By Alastair Buchan

SOCIAL scientists write many books and papers nowadays about the development of "transnationalism"—meaning the impact on interstate relations of unofficial contacts and communications—as if this were something new on the face of the earth. Actually, over the long reach of history, it is the autarkic state or society that is the rarity. Certainly no interstate relationship has been more permeated or effectively influenced by transnational factors than that between Britain and the United States. No two societies have had a more profound impact upon each other, in terms of racial stock, political and juridical concepts, culture in all its meanings. And personal dealings have repeatedly affected specific historical events since American independence—for example, British banking houses largely financed the Louisiana Purchase, while private messages between Richard Cobden and Charles Sumner defused an imminent confrontation between the two governments over the *Trent* affair in 1863.

This interpenetration is a palpable fact and will, I have no doubt, be explored in depth in many different places during 1976. There is also no dispute about the fact that over the past hundred years the relationship has swung through an arc of 180 degrees, that the economic and cultural dominance of Britain over America in broadly the first century gave way to a position of increasing American dominance—first economic, later strategic, political and in many ways intellectual—over Britain as the second century advanced. There have been periods of marked alienation in the relations of the two countries, notably just after the Civil War and even more markedly between the world wars, but there has never been any serious discontinuity in political and economic relations, except briefly in the war of 1812–14; no equivalent of the Gaullist "ice age," the long estrangement between the United States and China, or the wars with Germany and Japan.

Has this continuous and pervasive contact which has swelled in volume in the past generation damaged or strengthened the two countries? Has the one society been able to prevent the other from making serious mistakes or to contribute to its learning process? Have the two countries lured each other into needless adventures, inspired a false sense of confidence in each other, distorted the other's perspective; or has the relationship been as benign as much Bicentennial oratory will no doubt maintain?

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Professor Buchan had completed the manuscript for this article before his death. Minor revisions and editing were completed by his close friend, Herbert G. Nicholas, Rhodes Professor of American History and Institutions at Oxford since 1969, and the author of *The United States and Britain* and other works.

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II

One way of reexamining the first century of the Anglo-American relationship is to think of it in terms of the first "adversary partnership" that the republic had to manage. This phrase too comes out of the social science jargon of the past decade, applied primarily to contemporary Soviet-American relations. At first sight there seems no useful analogy between the relations of the young United States, still not in full possession of its own half-continent, with the powerful mercantile state from which it had hived off, and the relations of an enormously powerful America having both to confront and cooperate with a Soviet Union almost entirely foreign in political and social values, both armed with a vast stock of long-range nuclear weapons. But if one inverts the partners one can see the similarity: to early nineteenth-century Britain, still an aristocratic polity and fearful or skeptical about democracy, the young United States had many of the characteristics of a revolutionary society (though, of course, the role of major challenger was initially reserved for France). More than that, Britain as the conservative world power with a global navy—exerting a policy of containment from its bases in Canada, the Caribbean and Central America—must have seemed to many Americans as the postwar United States has looked to Russians.

Above all, Canada had an almost identical role in their relations to that of Western Europe in the postwar era: to some Americans it represented a British Trojan horse on North American soil, just as the American postwar military presence in Europe was seen in Moscow as intrusive and aggressive until the solution of the German problem. But also, to successive American Administrations from the early nineteenth century to the settlement of the Alaskan boundary dispute in 1903, Canada represented a hostage to British good behavior, just as Khrushchev once described Western Europe as his hostage.

It is true that, after Yorktown, it was clear that Britain could never again attempt to conquer the United States even if she had wished to. Conversely, the United States has had no motive, except in moments of anger, for declaring war on Britain (though both powers had war plans for armed confrontations with each other until well into the twentieth century). In other words, they were in strategic terms mutually deterred, so that the credibility of the British commitment to Canada was never fully tested any more than that of the United States to Europe has been; the historical difference was that there was nothing like the force of technological change to bedevil political confidence. On the other hand, the extent to which American soil could be used as a base for the subversion of Canada—as it was with the rebellion of 1837 in the days of Jacksonian radicalism, and in the Fenian raids of 1866 and the Riel Red River rebellion of 1870, in the heyday of Republican radicalism—together with the whole cult of Manifest Destiny, bore a certain resemblance, making allowance for scale, to the impact of Lenin's dicta about the inevitable victory of communism or to Khrushchev's espousal of wars of national liberation.

The essential point is that throughout much of the nineteenth century the relationship *was* partly an adversarial one—on questions of territory, or tariffs, or freedom of the seas—but with an increasing perception of common interests. Castlereagh said it first in 1820: "There are no two states whose friendly relations are of more practical value to each other and whose hostility so inevitably and so immediately entails upon both the most serious mischiefs . . . [than] the British and American nations." This dual character was properly exemplified in the Mon-

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roe Doctrine, adversarial in appearance, cooperative in essence. Under James Monroe and John Quincy Adams, the prickly young republic rejected Canning's attempt to formulate their common interest in keeping the rivalries of the continental European powers out of the Americas as being too maternalistic; "mother and daughter" standing "together against the world." Instead, it posted a "hands-off" sign outwardly as applicable to the British as to anyone else. But although the Monroe Doctrine was a unilateral declaration, it would have been meaningless without the concurrence of the British and the dominance of their fleet.

But day-to-day diplomacy had to battle with a more hostile climate of mutual dislike and incomprehension between arrogant John and avaricious Jonathan. Trade policy had a great deal to do with it; the interest of the young United States as primarily an exporter of cotton and other raw materials had originally been in free trade while Britain was still mercantilist. But America became more protectionist as she industrialized—and long after—while Britain's espousal of free trade became dogmatic and remained so until the twentieth century. Rivalry in the North Atlantic was a persistent factor, especially where New England's interests were involved. Britain and the United States were natural competitors here —in the carrying trade, in doing business with the enemy (when there was one), in recruitment for their merchant marines and navies. This was what the War of 1812 was largely about, as were the isthmus disputes, the *Trent* affair, the *Alabama* claim, etc. For each country this was *their* ocean, to the mutual exclusion of a third party.

If a common ocean bred disputes, a shared culture could nourish animosities. Scabrous comments on each other's societies became an increasing source of friction as books and newspapers circulated more widely. James Fenimore Cooper in 1826 talked of English maidservants as being in "less enviable condition than Asiatic slaves." To Bronson Alcott in 1842 every Englishman was a "fortification. Organized of blood he finds necessity for spilling it." And Horace Greeley wrote in 1851 that "the British are not in manner a winning people. Their self-conceit is the principal reason."[1] These were typical reactions, even though Emerson, Hawthorne and even Henry Adams might paint a different picture.

American critics met their match in Mrs. Trollope and Dickens, but the relationship has never been symmetrical and a succession of British visitors were as much intrigued as they were repelled by the new form of society, especially the frontier. (The most biting British critics of American society, Kipling, Wells, G. K. Chesterton, belong to a later period, to the era of the trusts and the big city machines.) American contempt for British complacency and class consciousness, British high-minded condemnation of slavery and corruption: this was the leitmotiv of much of the nineteenth century. But in the words of a British historian: "In America it was a case of an Anglophile minority and an Anglophobe majority; in Britain of anti-American and pro-American minorities, and an indifferent majority. But as the cause of democracy triumphed, so did popular awareness of America and her increasing power grow. . . ."[2]

For a full century after 1776 it was politically very easy to whip up anti-British sentiment. Even as the older animosities faded, the Irish began to flood in. In this situation, the various Canadian border settlements were a triumph of what

[1] Quoted in *Britain Through American Eyes,* ed. Henry Steele Commager, London and New York: McGraw-Hill, 1974.

[2] H. C. Allen, *Great Britain and the United States,* London and New York: St. Martin's Press, 1954, p. 166.

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we now call "arms control." The Rush-Bagot Agreement of 1817 on the demilitarization of the Great Lakes, which held through the Civil War and other periods of high tension, was an explicit recognition that Anglo-American relations were not a zero sum game, and a triumph for what Harold Nicolson later described as the British tradition of "civilian" diplomacy.[3] And the Ashburton-Webster Treaty of 1842, which not only settled the Maine boundary but the axis of the border as far as the Lake of the Woods and thence across the continent, was negotiated in a situation in which both Congress and the Canadian legislatures were voting war credits. Like the negotiation of SALT I in 1972, the principal achievement of both Daniel Webster and Lord Ashburton lay in persuading their own governments rather than in reaching agreement between themselves. And in 1846 the settlement of the Oregon boundary dispute, at the other end of the continent, was remarkable for being achieved despite the bellicosity of President Polk and the "54.40 or fight" emotion that he played upon: it showed, as later negotiations have, how a sensible Secretary of State, Buchanan, could sort matters out if given some discretion.

Meanwhile, in the hostage country, Canada, there was a running debate—about the credibility of its guarantor, about whether its own interests might be sacrificed in the process of détente that followed the Civil War—analogous in many ways to what we have witnessed in Western Europe in the 1970s. The Canadian leaders identified their interests more with Britain than with the United States, but they knew that some British politicians like Cobden, Bright and Gladstone expected that eventually the new Dominion of 1867 might become part of the United States, might become "Americanized"; and that in the last instance they must look after themselves. Here too the parallel may be instructive.

There is another aspect of the old Anglo-American adversary partnership that is more disquieting if it should have the force of precedent or parallel today. In the first hundred years, peace in the successive crises was preserved largely because the older power with the more complex interests was prepared to give way to the dynamic regional one, not only over the border, but over Texas, over navigation on the Columbia, over the *Alabama,* because it had so much at stake elsewhere in the world.

III

A new age of Anglo-American relations opened after the Civil War, and between the Centennial and the First World War something like an entente developed. The old arguments over slavery or the Canadian border were disposed of. The United States had found that it could organize its fast-growing manpower and industry in such a way as to become a serious military power. By 1850 its population had surpassed that of Britain; by 1880 at the latest it had a larger economy. Writing in 1879, Gladstone considered that "it is she [the United States] alone who, at a coming time, can and probably will wrest from us our commercial supremacy. . . . We have no more title against her than Venice or Genoa or Holland has had against us."[4] This was the era of transnational equilibrium when American companies and gadgets flowed into Britain, and British capital into the United States. This was the time in which Henry James aspired "to write in such a way

[3] "The civilian theory of negotiation is based upon the assumption that a compromise between rivalries is generally more profitable than the complete destruction of the rival." *Diplomacy,* 3rd ed., London: Oxford Univ. Press, 1963, pp. 53–54.

[4] Quoted by Allen, *op. cit.,* p. 82.

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that it would be impossible to an outsider to say whether I am . . . an American writing about England or an Englishman writing about America."[5] On the one hand, American heiresses fought for the hands of English lords but, on the other, the volume of British emigration to America was still running high, enough to create a multiplicity of personal relationships (assisted by a special cheap postal rate). It was the epoch of burgeoning intellectual and political friendships, spreading out from the intimacy between Ralph Waldo Emerson and John Stuart Mill to John Morley, Leslie Stephen and Matthew Arnold on the one side, William James, Henry Adams and William Dean Howells on the other. British intellectuals and liberals came to the United States to discuss the social and political implications of the democracy that was rapidly evolving in their own country. Their American counterparts, still primarily of British stock, crossed the Atlantic to share in a widened circle of comment and discussion in London, Oxford or Cambridge. And the Reverend Endicott Peabody embarked on the education of potential American statesmen at Groton in the manner of Thomas Arnold at Rugby a generation earlier.

This was the era in which James Bryce wrote *The American Commonwealth* (1888), which was for many years regarded by Americans as being the authoritative account of their own political system. In it he unconsciously put his finger on the reason for this placid relationship, the absence of diplomatic controversies: "We have hitherto found no occasion to refer to them [foreign relations] save in describing the functions of the Senate; and I mention them now as the traveller did the snakes in Ireland, only to note their absence. . . ."[6] Only the Venezuela incident of 1895 and the grumbling issue of the American desire for dominance over Central America, which the issue of the Panama Canal elicited, seriously disturbed relations between London and Washington. At the turn of the century, men as different as Joseph Chamberlain, Andrew Carnegie, A. V. Dicey (the British constitutional historian), and W. T. Stead were advocating one form or another of Anglo-American union.

Ironically, in view of later attitudes, the period of late nineteenth-century expansion in both countries excited very little criticism in the other. "As a partner in the white man's burden," as Herbert Nicholas has written recently, "the USA was indulgent, in a quite novel degree, to British colonial aspirations."[7] The Boer War and the annexation of the Philippines created internal divisions within each country, but not between them. The Open Door in China, the subject nowadays of such fierce revisionist attack, was essentially an Anglo-American policy, though, like the Monroe Doctrine, unilaterally American in its official formulation.

One reason for this mutual compliance, one reason why Alfred Thayer Mahan was feted in London in the 1890s, was the growth of the German navy which, if it proved a direct threat to British isolationism and security, could also be seen as an eventual threat to American autonomy and isolation. It was in an American magazine, *McClure's,* that Rudyard Kipling first published his "White Man's Burden," and its injunction was addressed in the first instance to the North American branch of the White Man's missionary church. It struck answering

[5] Percy Lubbock, ed., *The Letters of Henry James,* New York: Octagon Books, 1969, Vol. I, p. 143.

[6] Quoted by H. G. Nicholas, *The United States and Britain,* Chicago and London: Univ. of Chicago Press, 1975, p. 46.

[7] H. G. Nicholas, *op. cit.,* p. 57.

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chords in the missionary breast of many an American: William McKinley, John Hay and Teddy Roosevelt most obviously, but "Marse" Henry Watterson, Walter Hines Page and Brooks Adams as well.

IV

This gilded age might have ended in any case with the growing political influence of Irish- and German-Americans. But 1914 snapped it shut by resurrecting an issue that had traveled beneath the surface of Anglo-American relationships for nearly a century and a half, that of belligerent and neutral rights in time of war. There is no analogy between American behavior in the First and Second World Wars. In 1914 no leading American suggested, in public at any rate, that the war could involve the United States. Though Colonel House found much more in common with Edward Grey, during his diplomatic exploration of the belligerent capitals in 1915, than he did with Bethmann-Hollweg—indeed the germ of the League sprang from the Grey-House conversations, though the idea has a much longer ancestry—Wilson saw himself as a mediator until the end of 1916. There were by then powerful economic interests in the United States behind the victory of the Allies, from J. P. Morgan and Co., which had floated massive loans to Britain and France, to the steel, the engineering and the nascent aircraft industries; and there was a growing awareness of a potential threat to America of a German-dominated Western Europe. Yet these had to a large extent been politically neutralized by the effect of the Easter rising in Ireland and the strength of the German-American vote. Had the Allies rebuffed, and had Germany accepted, Wilson's peace appeal of December 1916, the United States would, as Wilson admitted to House, have found itself fighting at Germany's side.[8] As it was, the German Admiralty, taking a gamble on the necessity for a quick victory, announced the opening of unrestricted submarine warfare and the Germans started making overtures to Mexico. Just 59 years ago the United States entered its first European war.

When peace came, there was little understanding and no mutual respect between Wilson and Lloyd George, and a high degree of mutual hostility between articulate opinion in both countries. What the Hearst press gave, the Beaverbrook press returned. In the circumstances, it is remarkable that the Anglo-American treaty of guarantee of the French-German border should have got as far as the floor of the Senate and been defeated by only ten votes; if it had passed it might have completely changed the course of world history. Given the lack of real confidence between London and Washington, certainly at the top, the extent to which the Versailles settlement, in Eastern as well as Western Europe, bore an Anglo-American rather than an Anglo-French imprint was a sign of how relatively easily international lawyers and diplomats in each country communicated with each other below the surface of political suspicion.

Gladstone's perception of 40 years earlier that the United States was destined to replace Britain as *the* great industrial power had proved correct. Much greater respect was paid in London to American views. But British policy became increasingly affected by American policy at a time when there was little wisdom in Washington and Britain was still powerful enough to sustain a global foreign policy of its own. After the Senate's rejection of the League of Nations, America's

[8] See Patrick Devlin, *Too Proud to Fight: Woodrow Wilson's Neutrality*, Oxford: Oxford Univ. Press, 1974, pp. 561-62.

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absence became a frequent excuse for tentative and half-hearted British policy in its councils. American isolationism fostered British isolationism and vice versa. The isolationists in America were matched in the 1920s and 1930s by what D. C. Watt well calls "the irresponsibles" in Britain, who displayed, in particular, "an almost criminal neglect of Anglo-American relations."[9] The old symbiosis that had led to mutual condonement of expansion asserted itself in a different form.

Moreover, though Britain still had by far the larger navy, fear of an immense American postwar naval building program (for which Congress would have been unlikely to vote the funds) led Britain to become interested in an Anglo-American naval limitation treaty. And, when the American price proved to be the abrogation of the Anglo-Japanese alliance of 1902, in which both Britain and Japan had invested considerable diplomatic capital, Britain gave way to American (and Canadian) worry about Japan, at a time when she still had greater economic interests in the Far East than did the United States. Both, in their eagerness in 1922 and again in 1930 to balance each other's strength on the high seas to achieve "parity," did so with little consideration of world order as a whole.

As the interwar years progressed, Japan's rancor at this formal ratification of her secondary status (there were other irritants as well) increased, while the actual disposition of American and British naval power, in fact, offered her a free hand in East Asia and the southern and western Pacific. Neither the Hoover Administration nor the British National government had any serious intention of bringing Japan to book over her invasion of Manchuria, though a good deal of diplomatic energy was expended on each side to create such an illusion. Later under Roosevelt, when the "Manchuria incident" was succeeded by the war with China, and both a British and an American gunboat were sunk by the Japanese, the United States would entertain no idea of a joint protest.

The interwar years witnessed other causes of alienation between the two countries, despite the fact that the problems they faced in the 1930s, recession and unemployment, were very similar. One was the whole issue of war debts; the United States, now the strongest economy in the world, refused to acknowledge the centrality of its position and persisted in the habits of a debtor nation, demanding repayment of both debts and reparations which London, in effect, became responsible for collecting. Repayment was made particularly difficult by the Fordney-McCumber Tariff of 1922, while the Hawley-Smoot Tariff of 1930 was a major factor in Britain's development of the imperial preference system at the Ottawa Imperial Conference of 1932. At the transnational level, the virtual end of American immigration in the early 1920s meant the weakening of personal ties, while prohibition on the one hand, and the rise of figures like Al Capone and Huey Long on the other, made it easy to mock American society. Each country turned inward to brood upon its own troubles.

British and American politicians had little to do with each other, despite the work of the Inter-Parliamentary Union which, for instance, brought James Byrnes to Europe for the first time in 1937. There were only three resident British journalists in Washington in the latter 1930s and, though there was a larger and more distinguished group of American journalists in London, their parish was Europe as a whole and not just Britain. The foreign services of the two countries tended for the most part to patronize each other. And what was true of diplomacy was even more true of the armed services. The two navies, which had been friendly in

[9] D. C. Watt, *Personalities and Policies*, London: Longmans, 1965, pp. 37–38.

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World War I, developed a cordial dislike of each other, largely as a consequence of the Naval Agreements, exemplified later on the American side by the views and personalities of Admirals King and Leahy. The two armies had very little contact, partly because the U.S. Army led an isolated existence even in its own country. Only the two air forces were on terms of friendship, partly because their environment imposed a common language on them, partly because the U.S. Army Air Force (as it then was) looked to the Royal Air Force as a model and exemplar in establishing its right to be a separate service.

Moreover, the intellectual communities of the two countries had only intermittent links, despite the growing admiration of students of the 1930s for the achievements of the New Deal. A few British writers and historians, John Buchan and Harold Nicolson in one generation, John Wheeler-Bennett in the next, knew the United States well, and Denis Brogan was an Americanist in the great tradition of Tocqueville and Bryce. Moreover, few American intellectuals knew Britain well or appreciated its social accomplishments. Unfortunately the British authors who enjoyed the largest readership in the United States were far removed from the earlier tradition of the novel as a vehicle of social realism; they were satirists like Huxley or sentimentalists like Galsworthy. Conversely, though these were the years when the British public took to its heart the new American realism of Hemingway, Sinclair Lewis and Faulkner, these were in the main the apostles of disillusionment whose picture of America was drenched in their own bitterness and frustration. Significantly it was in Paris, not London, that the expatriates among them found spiritual refuge.

Harvard and Oxford, Columbia and London had an established tradition of hospitality to each other's scholars, and figures like Samuel Morison, Allan Nevins or Wallace Notestein were well-known in Britain. But the two scholarship schemes that had been founded to strengthen links between the two countries had not yet produced many figures of significant influence within their own countries. Ironically the most influential ex-Rhodes scholar was Stanley Hornbeck, head of the Far Eastern division of the State Department, who was passionately committed to the resurrection of China as a great power and as strongly committed to the end of the European empires in Asia. Ernest K. Lindley, Roosevelt's favorite journalist, and Clarence Streit, whose *Union Now* made a powerful impression on my generation of British and American students, were also Rhodes scholars. The Commonwealth fellowships, founded by Edward Harkness to enable British graduates to travel widely in the United States, had by the war produced only three men of influence: William Penney, the nuclear physicist and engineer; Geoffrey Crowther, Bagehot's greatest successor as editor of *The Economist;* and a young Cambridge-educated Lancastrian who was making a reputation in the new techniques of radio reporting, Alistair Cooke.

Only three communities of interests in each country had any tradition of continuous communication with each other. One was that of the law, for though the United States was not then a member of the International Court, British and American lawyers had long been interested in the development of each other's common and statute law; since lawyers are even more influential in American public life than in British politics, this was an important contribution to communication. A second community was the merchant or investment banking fraternity in Wall Street and the City. Despite his distrust for Wall Street, FDR had always been clear that, if war came, he would have to draw on its talent, and

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his recruitment of figures like James Forrestal, Paul Nitze, and many others brought in a group of men to whom London was a familiar place. The third Anglo-American community was the entertainment industry: actors, singers, producers. But to judge what role Noel Coward, Bob Hope, Douglas Fairbanks, Leslie Howard, Sir C. Aubrey Smith, Vivien Leigh, or Gary Cooper played in the evolution of mutual "images" that permitted a close wartime and postwar relationship would take one into a realm of sociological speculation for which, alas, the field work has never been done.

v

Behind these limitations on each country's perception of the other lay a deep-seated difference in their view of the international community and their role in relation to it. In 1920 the United States had opted out of the evil "balance of power" problems of Europe and had left the task entirely to Britain and France. This opting-out, in turn, represented the retention by the United States of an evangelical and somewhat above-the-battle attitude to the more grubby problems of power, while British thinking, however "contractionist," as it generally was in the era of appeasement, was nonetheless habituated to the issues of power and maneuver.

It is worth stressing this basic factor—the alienation of the interwar years—so as to underline the magnitude of the change in the nature of the Anglo-American relationship that occurred during 1941 and the four years thereafter. The change was not accomplished easily; for, though Roosevelt never sought to don Wilson's mantle of the mediator, once his tentative effort at diplomatic intervention in early 1938 had been rebuffed by Chamberlain—"it is always best and safest to count on nothing from the Americans but words"—he was hemmed in by a powerful structure of neutrality legislation which had been constructed by Congress. The way in which Roosevelt gradually dismantled it, including first "cash-and-carry," then the destroyers-for-bases deal which satisfied a long-felt aspiration of the U.S. Navy, and finally Lend-Lease is well-known. What is still unclear is whether, if the United States had not been attacked by Japan and if Hitler had not then declared war in consequence, FDR would have led the country into full belligerency on the side of Britain. Despite the extraordinary grass-roots success of William Allen White's Committee to Defend America by Aiding the Allies, despite the sympathetic reporting of the bearing of the British people under adversity, despite the much greater threat to American security that Hitler's victory would have posed by contrast with the Kaiser's, despite his easy-going relationship with Churchill, Roosevelt himself seemed repeatedly a victim in 1940–41 to a kind of paralysis of decision, as if waiting for events to make his mind up for him. Of course stubborn isolationist resistance in Congress was a factor never to be underestimated, but one senses in FDR's phases of irresolution something more —an awareness of what Woodrow Wilson had meant when he said, "It is a fearful thing to lead this country into war."

Nevertheless, the period of what Robert Sherwood called "the common law alliance"—the months of 1940 and 1941 when soldiers and sailors hammered out common tactical and strategic concepts, when officials resolved differing practices —laid the groundwork at levels far below the summit for the extraordinarily rapid growth of the joint war machine once the United States was formally committed.

Much has been written about the relationship between Churchill and Roosevelt,

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and it was indeed a remarkable accident of history that two such experienced, self-confident and masterful individuals should have risen to the leadership of the two countries at that particular moment in history; suppose it had been Wallace and Baldwin, or even Willkie and Halifax. Their friendship was the most significant intimacy since the end of the dynastic era. It was they who took all the major decisions, but even more remarkable was the system of combined chiefs of staff, field commands and combined boards that they imposed, so that there was a miniature Whitehall of 9,000 British officials in Washington at the peak of the war, and its counterpart in London. Much of the success of this was due to individuals: on the military side to George Marshall and John Dill, to Eisenhower and Tedder and Spaatz; on the civil side to Maynard Keynes, Averell Harriman, James Byrnes and many, many others. And it was they and their juniors who carried the legacy of mutual affection, knowledge and respect into the postwar years—with consequences that were not necessarily as beneficial as such virtues might suggest. And below this level there were hundreds of thousands of personal contacts: American servicemen training for Normandy in Britain, British aircrews training in the United States, combined forces fighting the Germans in Italy; scientists, engineers and intelligence experts.

But beneath the achievements of combined command and procurement which led to victory in Europe, and contributed to it in Asia, to the occupation of Germany, and the founding of the United Nations, there smoldered a number of resentments and frustrations on one side or the other. First and foremost, the wartime relationship had been, like earlier ones, asymmetrical. Not only had the United States been the "arsenal of democracy," which meant that the British services became increasingly dependent on American equipment, but, even though the United States achieved this by mobilizing only a portion of its manpower (and unlike Britain not conscripting women), the fact that it had a population over three times as large meant that the United States could put larger forces in the air, on the ground and in the water. Yet Britain was the unsinkable aircraft carrier without which the United States could not attack continental Europe. This fact that each ally had a stranglehold over the other contributed to the bitterness of the military debate about a Second Front in 1942 and 1943. It was not difficult to start an argument that the Americans were prepared to fight to the last Englishman, or that the British were using American forces in the Mediterranean to prop up the remains of the British Empire. At times this suspicion of each other's motives reached the level of paranoia, as General Marshall once ruefully recalled:

> On one occasion our people brought in an objection to something the British wanted. I didn't see anything wrong with the British proposal, but our planners explained that there was an ulterior purpose in this thing. . . . Later [Air Chief Marshal Sir Charles] Portal said that he had drafted the proposal and that it was taken from a memorandum of ours. And it was a fact; he showed it to me. . . . Our own paragraph was the key to our own objections.[10]

In the immediate postwar period, there was a sense of apprehension in Britain that Roosevelt's insistence at Teheran and Yalta that American troops would be withdrawn from Europe two years after the war (a decision which Truman did not reverse at Potsdam) meant that the task of developing a balance with the Soviet Union in Europe would fall primarily on British shoulders. "Such a task would be

[10] Forrest C. Pogue, *George C. Marshall: Ordeal and Hope, 1939–1943*, New York: Viking Press, 1966, p. 264.

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far beyond our strength," wrote Churchill.[11] Living, as their predecessors had done throughout Britain's history, cheek by jowl with the European continent, Churchill and his wartime team thought instinctively about what balance of power would be left across the Channel when victory had been won.

It took four years of erosion of American optimism about Russian intentions before this gap between British and American attitudes closed. The revulsion that Hull felt in 1943 at Churchill's percentage deal with Stalin in the Balkans was typically American. Writers like Walter Lippmann, whose *U.S. Foreign Policy: Shield of the Republic* was a bestseller in 1943, might argue the necessity for a postwar Anglo-American alliance; officials in the Pentagon might encourage continuing military cooperation with Britain (there was a discreet meeting of British and American military planners in late 1945 under the guise of a conference on military history). But official American policy remained concentrated on the United Nations and on Four Power machinery for the control of Germany, or on such pieces of paper as the Declaration of Liberated Europe. Western Europe was Britain's affair, and this view was expressed even more forcibly by the radicals of the American Right and the Left (such as Henry Wallace) in the ensuing year.

Throughout the latter half of the war the British government had felt trapped between an American assumption that America could devolve her own responsibility for European security onto the proposed world security organization, and persistent American opposition to any attempt by Britain to fill the vacuum this would leave. This was, and had been throughout the war, particularly evident in the American attitude toward France, which Roosevelt and Stalin at Teheran had decided to treat almost as an enemy country. "The President suspected," in the words of an American historian, "that Churchill's interest in seeing France restored as a military power was part of the Prime Minister's misguided infatuation with the discredited principle of the European balance of power."[12] As early as May 1944, the U.S. Joint Chiefs had warned the State Department of the dangers of a European balance in which Britain was much weaker than Russia and which would lead to a new European war in which the United States would get sucked in on Britain's side.

One issue on which the bureaucracy in Washington was as hostile to Britain and as suspicious of British intentions as the White House, was that of the future of the British Empire and of colonialism in general. "One thing we are *not* fighting for is to hold the British Empire together," declared *Life* in October 1942. A few weeks later Wendell Willkie's call from Chungking for an end to imperialism and Roosevelt's endorsement of the statement gave rise to Churchill's famous remark: "I have not become the King's First Minister in order to preside over the dissolution of the British Empire."

The first phase of the battle between London and Washington centered on the future of India in which Roosevelt appeared to be trying to edge himself into the position of a mediator between Britain and the Congress Party. But attempts to confront Churchill with the issue led to such scorching rows that by the end of 1943 Roosevelt had decided to drop the subject. Instead, he used the more devious tactic of privately discussing the future of the colonial empires first with Stalin at Teheran and then with Chiang Kai-shek at Cairo at the end of 1943. The latter

[11] Winston Churchill, *The Second World War*, Vol. 6, *Triumph and Tragedy*, New York: Houghton Mifflin, 1953, p. 353.

[12] Gaddis Smith, *American Diplomacy During the Second World War, 1941–1945*, New York and London: John Wiley & Sons, 1965, p. 155.

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was in fact FDR's trump card in dealing with Churchill on colonial questions, and the fact that Chiang was a bitter critic of British policy in India and elsewhere in Asia was one of the reasons why Churchill so distrusted Roosevelt's continuous effort to elevate China to the status of a great power. Though there were American opponents of the Administration's position on India, they were mostly academic and, if Clement Attlee had not unilaterally defused the Indian issue by granting independence in 1947, it would have been difficult to sustain any intimate Anglo-American relationship in the postwar era.

On the general issue of U.N. trusteeship for colonial territories, too, there was a good deal of British resistance to what was regarded as American libertarian high-pressuring—e.g., on the issue of whether "self-government" (the British preference) or "independence" (the American preference) should be held out as the eventual U.N. goal. The argument was further sharpened by the ambivalence of U.S. positions—on the one hand, "liberation" for all subject peoples, on the other, U.S. insistence that some of its own requirements for overseas bases should be met by the creation of "strategic trusteeships" placed under the Security Council, where the American veto would apply to keep meddlesome third parties from interfering.

The relationship between the Foreign Office and the State Department, which was one of close collaboration on the appraisal of Soviet policy as it had been of Japanese, was one of ill-concealed hostility where the Middle East was concerned. Though the Middle East was, under the rough division of responsibility drawn up after American entry into the war, a British sphere, the United States early established an independent relationship with Iran. The principal focus of Anglo-American hostility was Saudi Arabia where, during the war, the two ministers in Jidda accused each other of double-dealing, and to which the United States attached great importance because in the mid-1940s the Department of the Interior had convinced itself that American domestic oil reserves were running out. It was only in 1944, after some two years of internecine strife, that an agreement to respect each other's oil concessions was negotiated by two of the toughest characters on either side of the Atlantic, Harold Ickes and Lord Beaverbrook.

But it was in Palestine that the real seeds of Anglo-American trouble lay. The trusteeship formula might give the U.S. Navy satisfactory control of the Pacific Islands, but it provided no relief from the responsibility for Palestine which Britain had assumed in 1920 when its relative strength was much greater. Roosevelt, impressed by his conversation with Ibn Saud on his way back from Yalta, had inclined toward the Arab case in the last months of his life. But as Germany went down to defeat, with Allied troops uncovering the full horrors of Nazi treatment of the Jews, a wave of public pressure for the mass emigration of at least 100,000 European Jews into Palestine struck President Truman, pressure to which he reacted like an ordinary humane man and not as a statesman. In August 1945, the British—their plan to divide the area into a Jewish state, a Jerusalem state under international protection, and a trans-Jordan compensated and enlarged by fusion with the southern part of Syria, knocked sideways—suggested that the United States bear responsibility for its policy by participating in an Anglo-American Commission of Enquiry; it is just 30 years since its report was issued favoring the continuation of a mixed Palestinian state.

The fourth source of postwar conflict was the complex and sorry muddle over atomic energy. In the course of the first year of peacetime, the Administration

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appeared, in contemporary British eyes at least, to tear up two wartime agreements on postwar cooperation and to distort the meaning of the Anglo-American-Canadian agreement of November 1945, for the sake of a piece of legislation, the McMahon Act, that would ensure civilian control. In fact, it has become clear that British handling of the question left a great deal to be desired; that at the very point when British research was moved from the United Kingdom to the United States in 1941 there was a choice between a cooperative and a combined operation (as with other industrial projects) and that the former was mistakenly preferred; that Churchill had no real appreciation of the extent to which the threads of policy on this subject were not in the hands of Roosevelt; that key figures around Truman, notably James Byrnes, had been determined from an early date that the United States would not share military nuclear technology with anyone; and that the Attlee government made a serious diplomatic mistake in concentrating its efforts on bilateral and trilateral agreements with the United States and Canada rather than making a constructive contribution to the problem of international control, that is, relations with the Soviet Union, which was the Administration's real preoccupation. At the same time, the Administration thought that Britain was trying to cling to a cooperative arrangement for commercial reasons, when in fact security was the issue. In part, it was a bureaucratic muddle in both capitals, since influential legislators or officials knew little or nothing of the wartime story. But it was also a clear indication of how little bargaining power Britain now had in Washington, other than its control of certain uranium supplies and even these brought a diminishing return as American access to uranium expanded.[13]

Finally, there was the acidulous debate over the future of global economic relations, the intellectual duel between Maynard Keynes and Harry Dexter White at Bretton Woods in 1944, the battle fought by Will Clayton against imperial preference, the precipitate cut-off of Lend-Lease in 1945, and the stringent terms of the British loan negotiated in the latter months of that year. Some Englishmen had seen this coming for a long time and in an article for *Foreign Affairs* written some months before America entered the war, Geoffrey Crowther warned his countrymen of the gathering weight of American opinion against preferential and bilateral trade agreements.[14] As the war progressed, more and more of them came to see the force of this argument and that Britain would profit from an open trading system. The real difference concerned timing: The British government, conscious of the profound weakness of the economy, its industries run down, its work force tired, its external assets exhausted, envisaged a long transitional period before the application of full multilateralism, during which the maximum assistance would be needed to regenerate the British economy. The Administration believed otherwise—that if the moment of postwar convalescence was not exploited to refashion the international economic order, deep-rooted national habits of protectionism would reassert themselves in all the industrial countries—and the stronger power won.

In consequence, the British had to swallow the considerable pride in their wartime achievements, accept a final settlement of Lend-Lease which was generous by American terms but still left Britain with a debt of $650 million to repay, and

[13] See Margaret Gowing, *Independence and Deterrence—Britain and Atomic Energy,* London and New York: St. Martin's Press, 1974, Vol. I, pp. 90–92.

[14] Geoffrey Crowther, "Anglo-American Pitfalls," *Foreign Affairs,* October 1941.

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above all to negotiate a loan of $3.75 billion; though this had a low interest rate, early convertibility of the pound was its central condition. If one wishes to plumb the depths of postwar mutual suspicion, one has only to turn up the Commons debate of December 13, 1945, in which only just over half the votes were cast in favor of the loan, or the much longer congressional hearings and debates of the next few months, with their evocative refrain that once again Uncle Sam was being asked to pull Britain's chestnuts—Socialist chestnuts this time—out of the fire.

In July 1947, *Foreign Affairs* printed an article by the Director of the Institute of World Economics and Politics in Moscow. Its gist was that:

> [Anglo-American] relations, viewed in perspective, appear a peculiar combination of antagonism and cooperation, as a result of which the United States is constantly gaining ascendancy over Britain, reducing her more and more to the status of a second-rate power in both economic and political respects. This process began nearly a century ago, but owing to the different effect of the war on the economies of the two countries it has been immensely speeded up.[15]

At this point many Englishmen of the Right as well as the Left would have agreed with him. But bitter necessity left them little choice, except to retreat into an austerity as severe as that which the Soviet Union had experienced in the interwar years.

VI

It was not unnatural that the term "the special relationship" should first surface in Churchill's speech at Fulton, Missouri, on March 5, 1946, which also contained the famous phrase, "From Stettin in the Baltic to Trieste in the Adriatic, an iron curtain has descended across the continent." This is not to argue that Churchill or anyone else in Britain deliberately exaggerated the Soviet threat in order to mitigate the pains of American economic hegemony, or draw the United States back into Europe. But during the war Churchill, and after it Ernest Bevin, the Churchill of the Labour Party, were generally more skeptical of Soviet intentions than Roosevelt had been and Truman, Byrnes and Marshall initially were. Indeed, in the early meetings of the Security Council in 1946, Byrnes found himself often mediating between Bevin and Molotov over Indonesia, Greece and the Middle East. Despite continuous explanations to Stalin and Molotov by American emissaries from 1942 onward that the "Anglo-Saxons" did not form a bloc in world politics—explanations that were received with polite skepticism in Moscow—despite the American desire for a free hand in refashioning an international order of which she was now the core power, the perceptions of London and Washington on the issues of 1946 such as Germany, Iran or the Dardanelles, were much closer to each other than they were to those of any other country (Canada, perhaps, excepted).

More than that, as the cold European winter of 1946–47 demonstrated how fragile all the West European economies were, it became necessary, on the one hand, to consider a broader rejuvenation of them than simply bilateral commercial loans; on the other, it also became clear that, if the United States were to exert the direct leverage of military confrontation against the Soviet Union in Europe, it was only Britain who possessed the facilities to do so.

[15] E. Varga, "Anglo-American Rivalry and Partnership: A Marxist View," *Foreign Affairs*, July 1947.

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The Truman Doctrine of March 1947 was the result of an abdication of power by an economically beleaguered Britain which caught the United States unprepared. America had never grasped the extent to which Britain was overextended, nor faced up to the implications for American policy of a British withdrawal in the eastern Mediterranean. Indeed, even after Truman had accepted the consequences in principle, America successfully pressed Britain to keep troops in Greece until the beginning of 1950.

As Acheson's memoirs make plain, the success of the Marshall Plan, by contrast, owes much to the speed and imagination with which Britain under Ernest Bevin picked up and developed the American initiative of June 1947. Here, thanks to the intimate cooperation of Bevin, Acheson and Bidault, the plan became an instrument for the rehabilitation not just of Britain but of Western Europe as a whole. Although the British and French postwar loans were running out like quicksands, the countries that were politically in most urgent need of economic assistance were Germany and Italy. The development of the Committee for European Economic Cooperation in Paris, and the stimulus to European trade that the Marshall Plan was designed to provide, were remarkable, not only for eliciting a great deal of both European and American enthusiasm for European integration and even political unification, but as the first moment in the 170 years of Anglo-American relations in which the United States treated Britain as an integral element of Western Europe rather than as a particular island off its shores, "anchored" as Emerson had said "at the side of Europe." (Documents on strategic planning, however, continued to differentiate the two until the early 1950s and perhaps later.) Churchill and Smuts had floated the balloon of a West European "Commonwealth" during the war, only to have it sharply punctured by the American doctrine of universal interests; now it was revived under a different name by products of the British connection like William Fulbright and Walt Rostow, Charles Bonesteel, George A. Lincoln and Lincoln Gordon.

What created a "special" Anglo-American relationship between 1947 and 1952 within the broader and later strategic nexus between the United States and Western Europe were three factors in particular. One was a change in the British style or technique of dealing with the United States. As long as the British considered themselves a Great Power, or as long as the United States considered Britain one, it was almost as natural to transact significant business in London as in Washington. Thus, John Winant, Averell Harriman and Lewis Douglas, the wartime and postwar American ambassadors in London, had been nearly as important links in the chain of diplomatic interchange as Lords Lothian, Halifax and Inverchapel, their counterparts in Washington between 1939 and 1947. But with Britain greatly weakened and London therefore less important, with the process of American policymaking becoming more complex as a Republican Congress demanded a powerful voice and the bureaucracy expanded, Washington clearly became the place where serious business must be transacted. Misunderstandings over atomic energy had been a fearful warning of the consequences of not mastering, and indeed influencing, the American executive-legislative relationship.

Thus it occurred that the imitation Virginian manor house on Massachusetts Avenue that is the British Embassy was converted into a powerhouse of British official talent under the leadership of a tall, calm philosopher, Oliver Franks, who had played the leading role in organizing the distribution and provision of Marshall aid. The quality of the Franks Embassy can be measured at the diplomatic

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level by the fact that almost every First Secretary retired as a very senior ambassador or its counterpart during the early 1970s, and at the military level by the fact that the ambassador's advisors were full-ranking generals and admirals, with a marshal of the RAF in the person of Tedder as an active participant for a good deal of the time. More than that, there was a unique coincidence of temperament and outlook between Franks and Dean Acheson. Franks may have read Castlereagh's advice to the outgoing British Minister to Washington in 1819: "The first precept which I will recommend is to transact your business with the American government as far as possible by personal intercourse with the Secretary of State rather than by writing notes. . . ." But in fact there was no need to press the point, for Acheson and Franks became such intimate interlocutors that it was hard to say where the one man's train of thought ended and the other's began. "No comparable relationship," Acheson's first biographer has written, "between a Secretary of State and an ambassador can be found in American history."[16]

The second element in the original postwar intimacy resulted from the growing militarization of the East-West balance of power in Europe in the late 1940s. The Soviet rape of Czechoslovakia in February 1948 and the beginnings of the Berlin blockade that summer undermined—rightly or wrongly—the assumption that what was at issue was a diplomatic and political confrontation with the Soviet Union in central and southern Europe. If it became necessary to organize collective security in Europe, Britain had unique assets. By reason of the differing rates of demobilization and its continuance of conscription, Britain was nearly as strong a military power, in terms of force in being, as the United States, though not yet possessing nuclear weapons and with much of its army still dotted about the imperial map. By reason of the war, British senior officers and officials had experience of working with Americans in combined staffs and commands which France, the only other major European military power, lacked. And by reason of geography Americans had, as a Yale political scientist had expressed it during the war, "an additional stake in Britain's island base because it offers a unique opportunity for American power to make itself felt on the other side of the ocean."[17] This first became evident in peacetime through the move of three B-29 squadrons to East Anglia during the Berlin blockade; it became increasingly significant as American military strategy turned from one of defense to one of deterrence. Moreover, the ethnic groups in the United States that had traditionally been hostile to any Grand Alliance with Britain—the Irish and the Germans—were even more hostile to communism.

Bevin, moreover, had already laid the groundwork of a European collective security system, first by negotiating the Treaty of Dunkirk with France, a 50-year treaty of full mutual support in the event of hostilities with Germany, and a year later the Brussels Treaty which embraced the Benelux countries. Britain had for the first time in many generations got involved in permanent European commitments in time of peace; what the British could do, so could the Americans. Britain had created the core of the system and it merely required the cooperation of certain small countries such as Portugal and Iceland—what the position papers of the time called "stepping stone countries"—to convert a collective security sys-

[16] Gaddis Smith, *Dean Acheson,* The American Secretaries of State Series, New York: Cooper Square Pubs., 1976, p. 145.

[17] W. T. Fox, *The Super-powers—The United States, Britain, and the Soviet Union,* New York: Harcourt, Brace & Co., 1944, p. 60.

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tem into an American command and reinforcement system, as happened some 20 months after the signature of the North American Treaty in the wake of the alarm caused by the Korean War. Contemporary American writers like Lippmann argued that the British had been pressing for an American alliance through much of the twentieth century. This was not quite accurate; Britain had been trying to get the United States to play a role in maintaining a European power balance; with NATO this seemed to have been achieved.

The third reason for the original "special relationship" was that the United States, as the only great, undamaged power after the Second World War, found it extremely difficult to set limits on American influence and presence. Acheson and Forrestal tried to limit American commitments or to argue that American interests were concentrated primarily on Western and Southern Europe, Iran and Japan. But for a country of the resources of the United States, private as well as official, the gravitational power exerted by the international system as a whole was irresistible. In consequence, Washington—which had had only a rudimentary intelligence service before the war, a high-powered but amateur operation, OSS, during it, and thereafter a CIA that had very limited resources until the Korean War lifted the lid of government expenditure—found a desperate need to understand and be informed about areas and places that had hitherto been visited only by stray American botanists or anthropologists. Later this gap was filled by a dramatic increase in the scope of the major American universities, but in the first instance Washington relied heavily on the knowledge of the old imperial powers, principally Britain. British military technology, especially on aircraft and carrier design, was imported by the United States. Ideas flowed in both directions also, for it is generally acknowledged that the concept of nuclear deterrence in the sense of a bomber fleet in being, capable of instant and massive retaliation, originated with Sir John Slessor, the British Chief of the Air Staff.

This does not mean that the Truman years were plain sailing for the Anglo-American relationship. Its intimacy was primarily between officials, not legislators, still less the general public in either country. It encompassed the quarrel over Iranian oil, a grumbling argument over atomic energy, the refusal of the British government to participate in the European Coal and Steel Community, and, above all, conflicts of policy over China. The last-named was the most serious for it aroused the strongest passions in American opinion.

Britain had acquiesced in American dominance over the occupation of Japan and American postwar attempts to mediate single-handed in the Chinese civil war, despite Australian misgivings, for lack of resource to do otherwise. But the Attlee government saw no reason to depart from its policy of de facto recognition when the Chinese Communist regime became established in Peking in 1949, whereas American policy responded to public pressure and withheld it. Moreover, Britain had solid commercial interests in the Far East which it refused to relinquish (except for strategic goods) when a communist regime took over, exposing itself to accusations of trading with the enemy on the part of Senator Knowland, Representative Judd, and the old China lobby. The breach was not between Bevin and Acheson but between British and American public opinion.

The Korean War accentuated these problems, not because Britain did not support the principle of U.N. action to resist aggression but for three reasons in particular. First, the high-handed conduct of the war by MacArthur, coupled with the onset of McCarthyism, seriously weakened British public confidence in the

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quality of American public policy. (I can remember as the correspondent of a London paper in Washington in those years being badgered by an editor deeply sympathetic to the United States for some good news instead of bad.) This reached its nadir, getting entangled with another old quarrel, when President Truman on November 30, 1950, made an incautious statement at a press conference that implied the possible use of American nuclear weapons in Korea, leading to Attlee's agitated flight to Washington. A second reason was the skeptical, even cynical, American attitude toward the validity of the Commonwealth relationship which the war brought to the surface. The Attlee government took a proprietary pride in the new Commonwealth, embracing India, Pakistan and Ceylon, as well as the older white dominions, and when the Indian government's accurate reports of developments on Chinese policy were ignored in Washington, there was a grinding of teeth in London as well as in Delhi, confirming simultaneously Britain's distrust for Washington's handling of the war and regret that the voice of emancipated India should be so little regarded. The third reason was the American insistence on German rearmament after September 1950, which was less of a body blow to Britain than to France, but was still difficult to accept for a country that had been unique in fighting the Second World War from the first day to the last.

Although I, like many of my compatriots, feel that the easy entree which London has enjoyed in Washington over the past 30 years has distorted British perspectives, it is not easy to find fault with this postwar "era of good feelings." Britain was a seriously weakened country in the postwar years; the threat of Soviet power loomed large over Europe in Stalin's day and in Bevin's eyes; although the Commonwealth was still an association of considerable vitality, there was much to be said for helping the United States assume effectively the mantle of global power; the political and economic unification of Europe as an alternative frame of British interests was at best a gamble and the Organization for European Economic Cooperation, which embraced some sixteen countries, had little prospect of providing the matrix of it. Britain, moreover, was not the "running dog" of American policy in those years that the Left has often alleged. Britain took issue with the United States not only on Far Eastern questions but also on relations with the Soviet Union, witness the attempt of Churchill in 1952, back in office again, to make the Administration take seriously the Soviet offer of renewed negotiations on a German peace treaty.

VII

The process of mutual adjustment to the expansion of American power moved for several reasons much more unevenly throughout the Eisenhower Administration than during its predecessor or successor Administrations. It was not merely a question of personalities, of the well-known mutual antipathy of Eden and Dulles. Eisenhower was an Anglophile, and there were thirteen Anglo-American "summits" during his eight years in office as compared with three in the eight years after Potsdam.

One reason was the yawning disparity in military strength that emerged as American military expenditure quintupled after the Korean War while British rearmament was necessarily much more circumscribed. Moreover, with the development of the B-52, and the building of Strategic Air Command bases in North Africa, Saudi Arabia and Okinawa, Britain's utility to the United States as Air-

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strip One diminished. A second reason was a growing conflict of view as the European Coal and Steel Community showed that the idea of European unification held promise. Britain was ready to play a role analogous to the United States in encouraging this from the outside, but in Washington it was increasingly felt that Britain itself should participate in the process, that Britain was a European power not a global one. The fact that perhaps the major diplomatic triumph of Anthony Eden's career was in rescuing the possibility of German participation in NATO after the collapse of the European Defense Community in 1954, by negotiating the Western European Union, mitigated but did not eliminate this conflict of perspective.

A third reason was Dulles' growing preoccupation with Asia and the Far East, the area where the two governments had seldom viewed the threat to international order or the means of fortifying it through the same lenses. One charge against Britain is that it acquiesced in the negotiation of SEATO, an organization in which it did not really have confidence; but the role of Australian diplomacy in urging membership on Britain, and London's sense that it provided compensation for Britain's earlier exclusion from ANZUS, must be taken into account. Fourth, there was the growing sense in Washington that Britain was losing its validity as a coalition partner by reason of the crumbling not so much of the Commonwealth as of the still large colonial empire and the British position in the Middle East. As early as May 1953 Dulles confided to himself in a note written after his first official tour of the area:

> British position rapidly deteriorating, probably to the point of non-repair. Generally in the area, India and Jordan being partial exceptions, we find an intense distrust and dislike for the British. The days when the Middle East used to relax under the presence of British protection are gone. . . . We must convince the Arab states that the U.S. operates on a policy of its own with regard to this problem [colonialism].[18]

Whether Dulles was right or wrong is less important than the fact that he undoubtedly reflected a growing American conviction that British imperial control and influence no longer provided a usable instrument for the containment of Soviet power. Paradoxically it was a British attempt to reassert its imperial role, at Suez, that provoked the most open and resonant Anglo-American clash of the postwar years. Yet one can now see that Suez was not a considered development of British policy. It was a spasmodic reaction to one of history's mistimings; imperial influence was actually declining in advance of America's realization of what was happening and of what the full implications were for American policy. Britain reacted at the end of what Eden and his close colleagues thought was a series of American haverings over her responsibilities in the Middle East. Britain thereby accomplished—at considerable embarrassment and pain to itself—an eventual clarification of the American role in this area. In that sense Suez was not all loss, which may explain why it left so slight a permanent scar on the Anglo-American relationship.

Vis-à-vis Russia, by the 1950s there was another significant shift of roles between Britain and America. Whereas in the immediate postwar period it was Britain that had the clearer and stronger sense of the Soviet threat, by the 1950s British weight was being thrown more and more in the direction of restraint and negotiation. British opinion had never shared in the hysterical anti-communism of

[18] Dulles Papers, Princeton University Library, Princeton, New Jersey.

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right-wing American thinking but, more than this, the less moralistic code of British policymaking left Prime Ministers freer than Presidents to advocate open dealings with the mammon of unrighteousness. And no doubt it was a help to Churchill, in pressing for summit negotiations—as he did tirelessly from 1951 to 1955—that his anti-communist credentials stretched back to 1917.

Yet beneath the surface of this growing divergence of official preoccupations and positions, a contrary process was at work. Despite the international damage done by McCarthyism, Englishmen and Americans were growing increasingly attracted to each other's company. This went far beyond official relationships, intelligence or military liaison, for the alienation of the prewar years had given place to a host of new interactions, among journalists, academics and businessmen. What Geoffrey Crowther accomplished with the American Survey of *The Economist* in making American politics and policy comprehensible to serious Englishmen, radio and television did for a wider audience. The fear or distaste for mass society which had been one of the earlier causes of anti-Americanism began to erode as the pattern of British life and habits changed. Though Britain was still the second most powerful state in the West and was so regarded in the mid-1950s by informed opinion not only in Britain but in France and Germany,[19] all but a small minority on the Left and Right of British politics had accepted her secondary status and the reality of American leadership. The process, however, was an asymmetrical one; with certain honorable exceptions, American press coverage of Britain has been more superficial than the converse.

In my view, it was this roseate transnational relationship, rather than the fact that Harold Macmillan had an American mother or had been a wartime friend of Eisenhower's, which accounted for the rapidity with which Anglo-American good relations were restored after the debacle of Suez, despite the gross incompetence of British and French planning or the failure of Anglo-American communication that it had demonstrated. There were other factors at work as well: the declining health and influence of John Foster Dulles; the continuing importance of mutual information about developments in the far reaches of the world; the restoration, after a decade of estrangement, of a confidential relationship on nuclear energy and atomic weapons.

VIII

It was on these foundations that the second "era of good feelings" or special relationshp (a phrase rarely used by British politicians and by only two American Presidents who did not believe in it, namely Lyndon Johnson and Richard Nixon) was constructed. But it was different in character from the first, even though the personal friendship between Macmillan and Kennedy may have been as intimate as that between Bevin and Acheson. For one thing the differential in military power had widened even further by the early 1960s. Britain had a military budget that was one-tenth that of the United States' and had only about one-seventh as many men under arms. For another, the diplomatic and political significance of the other European powers had markedly increased and they were climbing the ladder of economic growth with strides, where Britain was only plodding upward.

But above all, Macmillan's conception of the Anglo-American connection, es-

[19] Daniel Lerner and Morton Gorden, *Euratlantica: Changing Perspectives of the European Elites,* Cambridge and London: MIT Press, 1969, p. 149.

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poused though it might be among his colleagues and officials, was based upon a central fallacy. Years earlier, when he was the British representative in Algiers during the war, he had said to Richard Crossman:

> We are the Greeks in this American Empire. You will find the Americans much as the Greeks found the Romans—great big, vulgar, bustling people, more vigorous than we are and also more idle, with more unspoilt virtues but also more corrupt. We must run [this headquarters] as the Greek slaves ran the operations of the Emperor Claudius.[20]

This Greek-Roman analogy continued to inform his approach to Washington. It assumed that Britain had no Roman role to play even if on a greatly narrowed stage. But more than that, it overlooked the fact that Americans had, 20 years after the assumption of a central role in world politics, acquired the ability to be Greeks to their own Romans by mobilizing the vast intellectual resources of their continental state.

Not just in terms of brute economic and military power, but of the development of the natural and social sciences, America had become the mother and Britain the daughter society. The RAND corporation, the think tanks, the Harvard-MIT arms control seminar and a host of other devices had brought intellectuals into the center of American policymaking. Though Britain had, and has, an excellent public service, no serious attempt was made to harness the universities to the needs of British policymaking. And Macmillan's concept also overlooked the fact that the wartime generation of officials and politicians who knew each other's cast of thought was beginning to disappear from public life.

The consequence was a process of British self-delusion just at a time when stock-taking of the country's position in the world was most required. In some small degree it may have retarded British recognition of the significance for Britain of the European Economic Community (EEC). More importantly, it fostered the illusion that Britain could have the best of both nuclear worlds—an "independent deterrent" and, at the same time, a much greater say in American nuclear strategy, both on such things as targeting and on arms control, than in reality she had. The anti-Americanism thrown up by Suez in Macmillan's own party was half encouraged, half bought off by this. But in fairness, another side existed even to that rather dubious coin. Macmillan and David Ormsby-Gore deserve credit for persisting with the proposal for a nuclear test ban from 1958 onward in face of sustained hostility from Dulles and initial skepticism from the Kennedy Administration. And in the Berlin crisis of 1958–62, a real Anglo-American cooperation was sustained throughout, with British influence exerted somewhat in the direction of negotiation all along.

Nonetheless, the priority given to the nuclear relationship with the United States was not only instrumental in hardening de Gaulle's opposition to the entry of the British Trojan horse into the EEC. It led also in 1962 to what Arthur Schlesinger christened the "Pinero drama of misunderstanding" over the Skybolt missile, which led in turn to an increasingly dependent British strategic relationship with the United States as Macmillan persuaded Kennedy to substitute the Polaris system for it.

The Nassau Agreement of 1962 and the transatlantic confusion that preceded it should have been a warning to Whitehall of the rapidity with which the Anglo-

[20] Quoted by Anthony Sampson, *Macmillan: A Study in Ambiguity*, London and New York: Simon & Schuster, 1967, p. 61.

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American relationship was changing. Macmillan himself perceived this, I think, despite the affection which Kennedy felt for him and the value he found in the older man as a sounding board for his own decisions and ideas, including moments of swift action and great stress such as the Cuban missile crisis. But his departure from office in 1963 a month before Kennedy's assassination was followed by a period not just of British but of mutual delusion.

On the one hand the British general election of 1964 brought back to office a Labour government most of whose leading members, Harold Wilson, George Brown, Anthony Crosland, Denis Healey, Roy Jenkins, were profound admirers not only of Kennedy and his Administration's effort to move toward détente with the Soviet Union, but of the older concept of "Atlantic Community." They had backed Robert McNamara's attempt to introduce an element of flexibility into NATO strategy, by greater emphasis on conventional forces, an attempt of which the Tory government had been skeptical; and they were prepared to place the British nuclear force at the disposal of NATO, thus allaying the American fears of a German demand for a nuclear deterrent of its own. It is arguable that Labour "moderates," at any rate, know the United States better than their opposite numbers on the Conservative benches, and certainly have a more successful relationship with most Democratic Administrations.

But Johnson was not Kennedy, and Wilson and he certainly effected no marriage of true minds. Neither shared in the tradition, experienced or inherited, of the wartime partnership; each had his heart set on a narrow concept of the national interest.

However, on the crucial issue of Vietnam, Anglo-American divergencies had an earlier inception. Washington wanted, from the beginning, to believe that relevant aspects of the Commonwealth relationship could be made to relieve the loneliness of the American position in Southeast Asia. They believed, as few people in Britain did after the 1950s, that there was not only an analogy but a continuity between the British role in Malaysia and the American role in Vietnam.

Thus as early as February 1962 McNamara told a Senate subcommittee that "the United States strongly favoured the continued deployment of British land, sea and air forces in a broad area of Asia,"[21] and this same view was pressed upon the Labour government. Consequently, the latter, finding itself merely tagging in the wake of American policy on central issues of great power relations such as the nonproliferation negotiations, continued to maintain a high level of commitments in Southeast Asia and the Persian Gulf at a time when the troubles of the British economy and the weakening position of sterling made it increasingly onerous to do so.

Lyndon Johnson did not get what he wanted, namely a British commitment, however symbolic, to the Vietnam War. The transnational relationship, the extent to which informed British opinion was becoming affected by the doubts of informed American opinion about both the wisdom of the Administration's policy or the prospects of victory, made that impossible. But, whereas Wilson found his attempts to mediate between Washington and Hanoi, notably at the time of Kosygin's visit to London in February 1967—to move as it were into the high politics of the Vietnam War—quite abortive, at the same time Johnson brutally used the dependence of sterling on the dollar to exact Wilson's support for American policy in Vietnam, except for the bombing of the North. In the end, Wilson failed in both

[21] *The Times* (London), February 16, 1962.

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his objectives: to maintain the parity of sterling and to retain any leverage over American policy in Asia. Both countries suffered in the process.

By the late 1960s a new element was entering into the relationship, namely the huge growth of American investment in Europe but particularly in Britain. By 1966, the year before the second British application to join the EEC, the Prime Minister was speaking of "industrial helotry," and trying to find a basis of common ground with the Six on the protection of the European technological industries. However, it was characteristic partly of the element of mutual flattery in the Anglo-American political relationship, partly of the extent to which the United States was losing interest in the development of the Community as superpower relationships took precedence over Atlantic partnership, that when Edward Heath suggested in the 1967 Godkin Lectures at Harvard that, where British officials had always thought first what would be Washington's reactions to a proposal, they would soon think first about the reaction of Paris, Bonn or Rome, he was considered to be anti-American.

IX

The British Defence White Paper of 1969, the first year in a decade in which British defense estimates actually declined, was described by Denis Healey, the Defence Secretary, as setting "the seal on Britain's transformation from a world power to a European power." To the extent to which this was true—some of it was reversed temporarily by the Conservatives when they retained a presence "East of Suez" on coming to power in 1970—it may be said to parallel the "retreat from empire" which Robert E. Osgood and others have identified as the dominant theme of the first Nixon Administration.[22] Certainly the years that followed displayed a profound change in the objectives and techniques of American diplomacy: the bilateral negotiation of a Vietnam peace settlement (and, if by any intermediary, more by France than by Britain); the prolonged, bilateral and secret negotiations on strategic arms limitations with the Soviet Union; the unilateral "opening to China." On the British side they have witnessed entry into the EEC, the endorsement of it by a large majority in a referendum, and the gradual emergence of the Nine as a working political entente on several issues of world politics; the open dispute with Washington at the time of the Yom Kippur War; and a grumbling divergence of opinion about the proper way of confronting the developing world in the United Nations and elsewhere.

Although there was much about the Nixonian "retreat" that British opinion welcomed, most conspicuously of course the end to the long, demoralizing and diversionary attrition of the Vietnam War—although there was much about the pursuit of a "multipolar" world that was similiarly acceptable, particularly the "opening" to China—yet for various reasons these were not happy years for the Anglo-American relationship. There was, running through them all, a basic distrust of the Nixonian presidency which, even when taking its inception in a non-diplomatic context, spilt over onto the diplomatic stage. There was an uneasy awareness that some of the success in moderating old enmities was achieved at the price of neglecting old friends. The Guam (or Nixon) Doctrine was felt to embody a somewhat chilling assertion of American independence. The old bipolar world had

[22] Robert E. Osgood *et al., Retreat from Empire?* Baltimore and London: Johns Hopkins Univ. Press, 1973.

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been a dangerous place, but at least the NATO alliance had fitted into it as neatly as sword into scabbard. What would take its place now that bipolarity was pronounced extinct? What, in particular, would happen to the Anglo-American relationship?

Since the Nixonian collapse, both countries seem to have been living in the ruins. Yet the main reflection of this seems to have been a mood of introspection and diminished confidence, rather than a turning-away from basic principles—the pursuit of détente, the acceptance of multipolarity, the need for preserving one's guard, the recognition of the claims of the Third World. In both countries there have been hesitancies and questionings about these policies, and particularly about whether the other fellow was taking them as seriously as oneself, but at the bottom this reflected a lack of confidence in the style and competence of leadership rather than any rejection of the principles themselves. No one has seriously proposed anything to take their place. What 1976 has to produce, by the ballot box and otherwise, is a set of leaders on both sides of the Atlantic who look as if they have the talent, determination and durability to take common action in support of common interests.

X

What does one make of this long history of intimacy, of discord and collaboration? I have no grand Toynbeean conclusion, but as someone who has been traversing the Atlantic for over 40 years, there seems a provisional balance sheet to be struck. In the years when Britain was the mother society and the more politically powerful state, its policy and position accelerated the internal development of the United States, provided it with a framework of juridical, social and intellectual reference. It speeded American civilization. Yet this retarded in many ways the development of the United States as an international power, and Britain's maritime supremacy delayed American thought about American interests. As a result, American thinking often lacked any "middle term"—a set of working practices halfway between crass self-interest and "globaloney." Woodrow Wilson's Fourteen Points, evolved out of a cosmic a priorism, with little or no regard for the United States' immediate requirements and imposed on a very un-American warring world, was a perfect case in point.

In the alienated interwar years when both countries thought they were the equal of the other, they did very little for each other. But in the 35 years or so that the United States has been the parent society, the nineteenth-century process has been apparent in reverse, intensified by closer intimacy in a shrinking world. American ideas, American capital, American pressure have for the most part been beneficent in modernizing the internal habits of a country that has been reluctant to face the challenges of change. But, by the same token, the fact that Britannia has been cradled to a large extent in the lap of Uncle Sam as far as both strategic and economic security have been concerned, has been able to converse with him on an intimacy that until recently no other country can accomplish, has been encouraged to place so much more emphasis on the dialogue with Washington than with any other capital, delayed, not fatally I hope, Britain's adjustment of her own perceptions to a rapidly altering situation of power and influence.

What does this promise for the third century of the Anglo-American relationship? To anyone who believes in the soundness, the inevitability even, of Britain's entry into Europe, the introduction of true multipolarity within as well as without

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the Western alliance must be acceptable, even welcome. Geography, strategy, economics—Britain's long defiance of these as an imperial and global power should not and could not be protracted into the changed world of today. The time has now arrived when, as Edward Heath predicted, a British official's first reaction to many a crisis is, "What will Bonn and Paris think?" And the categories of crisis to which this reaction is appropriate are expanding all the time.

But before we give way to the exclusive assumptions of the European zealots, let us remember two things. The decisions out of which the new Europe is emerging are made, and will continue to be made as far as the eye can see, in the shadow cast by Washington. In part this is due to the imperfect level of European unity; Europe is in the condition of the American States under the Articles of Confederation, "united" only in aspiration, not in actuality. But beyond this, and however rapidly the new Europe is forged, it is hard to envisage it as a self-sufficient power center able to cope with the challenges of the non-free world without the most intimate interdependence with the United States.

And if the making of Europe does not mean the unmaking of the Anglo-American relationship any more than of the Franco-American, Italo-American, German-American, etc., it is unrealistic not to recognize the multiple and tenacious strands out of which that relationship is woven. The old Commonwealth apart, the British and the American peoples think more alike—or at least disagree less—than anyone else. Hot lines and frank exchanges between Washington and other capitals, dictated by self-preservation and balance-of-power politics, are no substitute for shared political values in a hostile world or a common language in an increasingly lazy one. The Gulf Stream of common intercourse at every level, cultural, educational, economic, official, shows no sign of diminishing its two-way flow, however intense the cross-Channel traffic may become; and in the future, as in the past, it is unlikely to be much affected by the tempests that may ruffle the surface of the "steep Atlantick stream."

How history will handle the admitted elements of contrariety that inhere in Britain's new relationship with Europe and its old relationship with America remains dependent on a myriad of unpredictable variables. Who, in 1876, would have predicted that it would handle so well the contradictions between Manifest Destiny and the Imperial Theme? No doubt 2076 will hold many surprises; they may not all be unpleasant ones.

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THE UNITED STATES AND THE SOVIET UNION, 1917-1976

By George F. Kennan

WHEN, in the year 1917, Russian society was overtaken by the most tremendous and far-reaching upheaval it had ever known, American opinion-makers were poorly prepared to understand either the meaning or the implications of this event.

This was partly because there was little understanding in the United States of that day for Russian history or for the nature of the political society in which these events were taking place. Russian studies had been developed in North America only on the tiniest and most rudimentary of scales. Knowledge of Russia rested on the tales of the occasional traveler or on the reports of press correspondents, very few of whom were qualified to see deeply into the great political and social stirrings that tormented the life of Russia in those final decades of Tsardom. The traditional antipathy of Americans for the Tsarist autocracy was understandable enough; but it was seldom balanced by any realistic examination of the nature of the possible alternatives. And in the final years before World War I, governmental and journalistic opinion in the United States had tended to be preempted by the problem of the treatment of Jews within the Russian Empire, to the detriment of the attention given to other and even deeper aspects of the slow crisis in which Russian society was then embraced.

This was the situation as of 1914. But as the First World War ran its course, and particularly in the year 1917, there came to be imposed upon this general shallowness of understanding a far more serious source of confusion: and that was America's own involvement in the war. If it be conceded that one of the most stubbornly ingrained characteristics of American democracy has been its inability to accept and experience military involvement without becoming seriously disoriented by it and without permitting it to distort judgment on other questions of policy, then it must be said that never did this weakness reveal itself more sharply and fatefully than in American outlooks on Russia during the First World War. Entering the war only a few weeks after the first of the two Russian revolutions of 1917, Americans resolutely declined, from that time on, to view Russian developments from any standpoint other than that of the war against Germany, and not of a thoughtful and objective image of that war, at that, but rather as it was perceived through the grotesquely distorting lenses of wartime propaganda and hysteria.

Thus both Russian revolutions of that fateful year were seriously misperceived. The first—the fall, that is, of Tsardom and its replacement by a regime which was liberal-democratic at least in intent—was welcomed less in its possible significance for the future of Russia than because it was seen—wholly incorrectly—as releasing forces of enthusiasm for the war effort previously suppressed by a supposedly pro-German imperial court. The second revolution, in November, which

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brought the Bolsheviks to power, was misunderstood by reason of the widespread belief that the Bolshevik leaders were German agents; as a result of which the new regime, not generally expected to last very long in any case, was opposed less for what it really was than out of resentment for its action in taking Russia out of the war.

It was only after the termination of hostilities against Germany that the way was cleared, in theory at least, for a view of Russian communism as a political phenomenon in its own right. But by this time a new welter of bewildering and misleading factors had entered in: such things as the passions and uncertainties of the Russian civil war; the exaggerations of propaganda on both sides; our own semi-involvement in the Allied intervention; the measures of the new Communist regime with relation to Tsarist debts and foreign property; etc. It was not, really, until the early 1920s, after the termination of the Russian civil war and the overcoming of the famine of 1921–22, that the meaning of what had occurred in Russia since 1917 began to emerge from the turmoil of events with sufficient clarity to permit the beginnings of thoughtful and reasonably informed debate in the United States over the nature of the problem which the installment of Lenin and his associates in the traditional seats of Russian power presented for American statesmanship.

II

Before going on to consider the nature of this problem and of the responses with which it met, it would be well to have a glance at one particular involvement of the United States which occurred in the confusion of those immediate post-revolutionary years and the main effect of which was to muddy the waters of mutual understanding for decades to come. This was America's part in the Allied intervention of 1918–20. Precisely because this action has so often been depicted by Soviet propagandists as an unsuccessful effort by the American government to unseat the Soviet regime, it is important to recognize its essential origins and dimensions.

The United States sent troops only to two areas of Russia: to the European north, in the neighborhood of Arkhangelsk on the White Sea, and to eastern Siberia. Both of these areas were far from the main theaters of the Russian civil war then in progress. In neither case was the decision to dispatch these troops taken gladly or—one may say—independently, in Washington. In neither case was it motivated by an intention that these forces should be employed with a view to unseating the Soviet government. In neither case would the decision have been taken except in conjunction with the World War then in progress, and for purposes related primarily to the prosecution of that war.

First—as to northern Russia. President Wilson consented to the dispatch of American forces to that region only in the face of a massive misunderstanding on his part of the situation prevailing there, only with great misgivings and skepticism as to the usefulness of the undertaking, and only when it had been insistently urged upon him by the British and French, with the support of Marshal Foch, then Supreme Allied Commander in Europe, all of whom portrayed it as a measure required by the war effort against Germany. What brought him to the decision was well described by his Secretary of War, Newton Baker, in a letter written some years later. He had convinced the President, Baker wrote, that the decision was unwise:

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> . . . but he told me that he felt obliged to do it anyhow because the British and French were pressing it upon his attention so hard and he had refused so many of their requests that they were beginning to feel that he was not a good associate, much less a good ally.

The three battalions of American troops (for that is all it amounted to) were sent to Arkhangelsk, and served there, under British command. The decisions as to how and for what purposes they should be employed were British decisions, not American ones. The uses to which they were put were ones of which Wilson was ignorant at the time, ones he had never envisaged, ones of which, had he known of them, he would unquestionably have disapproved. That the units remained there after the end of the war with Germany was due to the fact that they were held there, over the winter of 1918–19, by the frozen condition of the White Sea. When the ice broke up they were removed as soon as this could be accomplished.

As for the troops that were sent to Siberia: the consent to the dispatch of these units was given only when Wilson's unwillingness to send them had been worn down by six months of pleading from the Western Allies. Their missions were restricted to the guarding of the Suchan coal mines, in the Maritime Province, and of certain sections of the Trans-Siberian railroad north of Manchuria—services, that is, that were of high importance to the lives and comfort of the inhabitants of the region, regardless of politics. The areas in question were, at the time of the dispatch of the units, thousands of miles removed from the main theaters of the Russian civil war; and the units took no part in that war. Their presence probably gave some satisfaction and comfort to the non-Bolshevik Russian forces in Siberia (although little love was lost between those forces and the Americans), and it may have had some effect in delaying the eventual extension and consolidation of Bolshevik power in the area. But this, so far as Wilson's intentions were concerned, was incidental. That they remained as long as they did, and were not withdrawn in 1919, was due rather to suspicion of the Japanese (who also had troops in the area) on the part of the Americans rather than to hostility toward the Bolsheviks.

The task of attempting to understand the permanent elements of the Soviet-American relationship will be best served if these regrettable episodes of the final weeks and immediate aftermath of the First World War be left aside, as the pathetic by-products of wartime confusion, weariness and myopia that they really were, and the focus of attention be shifted to the more enduring sources of conflict that were destined to complicate the relationship over ensuing decades.

III

The first and most fundamental of these sources of conflict was of course the ideological commitment of the Bolshevik-Communist leadership. This was something wholly new in the experience of American statesmanship. It was the manifestation of a form of hostility Americans had never previously encountered. Americans had known, of course, the phenomenon of war, as a situation defined and recognized by international law. But war was (normally) the expression of a hostility limited both in time and in intent. It was limited in time because it was coincidental with the existence of a formal state of war. It was limited in intent because the aims it was designed to serve were normally ones of a limited nature: the transfer of a province from one sovereignty to another, a change in the arrangements governing maritime commerce, the replacement of one ruler by another for dynastic reasons, etc.

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But what American statesmen now saw themselves faced with, in the person of the new Russian-Communist regime, was something quite different: a governing faction, installed in the seats of power in another great country, which had not even dreamed of declaring war formally on the United States but which was nevertheless committed, by its deepest beliefs and by its very view of its place in history, to a program aimed at the overthrow of the entire political and social system traditional to American society—committed, that is, to a program calculated to inflict upon the society of the United States a damage more monstrous in the eyes of most Americans than any they might expect to suffer from even the worst of purely military defeats at the hands of the traditional sort of adversary.

This situation was destined to undergo many changes and modifications in the course of the ensuing decades. There would be times when the ideological hostility on which it was based would be soft-pedaled for reasons of tactical expediency. In general, the cutting edge of the hostility would be progressively blunted over the course of the decades by the erosion of frustration and the buffeting of contrary events; so that it would come, with the years, to assert itself more as a rhetorical exercise than as a guide to policy. Particularly with respect to the United States, where its chances for political success were singularly slender, this messianic dedication would gradually lose its bite with the passage of the years, so that Americans would ultimately come to fear it less for its possible effect upon themselves than for its effect on other peoples: its effect, that is, in alienating those peoples from that portion of the international community with which America could have a comfortable and friendly relationship and adding them to that other sector (to be greatly increased in the Third World after World War II) in which America, and all that she stood for, would be regarded only with prejudice, misunderstanding and rejection.

But these would be gradual changes. They lay, as of the early 1920s, well in the future. They were not yet generally visible or predictable. The American statesmen of that day had to take the ideological challenge at its own words, and deal with it accordingly.

It would be wrong, of course, to suppose that this sort of hostility remained one-sided, or even that it was wholly one-sided from the start. It naturally bred its own reaction on the part of many Americans; and it would be idle to pretend that this reaction was always thoughtful, reasonable, devoid of prejudice, sensitively responsive to the nature of the challenge itself. It was a reaction that would manifest itself, down through the years, in many ways, most of them unpleasant: in the anti-Red hysterias of 1919–20 and 1950–53; in the vulnerability of large sections of the American public to the sanguine urgings of the Chinese-Nationalist and "captive nations" lobbies; in the exaggerated military apprehensions and phantasmagoria of the post-World War II period. Hampering at every turn the development of a sound and effective response to the challenge which had provoked it (or provided the rationalization for it), this exaggerated reaction would constitute at all times a complication of the Soviet-American relationship in its own right. And it was not slow in making itself felt in the immediate aftermath of the Revolution. It was one with which American policymakers were obliged to contend from the start, in their efforts to design an effective response to the challenge in question.

Before proceeding to examine this response, it would be well to note that there were two features of this unprecedented relationship that were fated to constitute basic and unalterable elements of the problem it presented for American states-

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manship. One was the fact that, fiery as were the assertions of intent upon the part of this ideological opponent to destroy *our* system, and heartily as this challenge was accepted by sections of our own public opinion, neither side was in a position, or ever would be in a position, to achieve the total destruction of the other. Each might hope for it; each might do what little it could to abet processes that seemed to run in that direction. But neither could, by its own action, achieve it; nor did ulterior forces produce this result. The result was that each had to accept, for better or for worse, the other's existence and to start from there in the designing of policy.

This—"peaceful coexistence" if you will—was a reality of the relationship from the beginning. It did not need a Khrushchev or a Brezhnev to discover it or create it.

The other inalterable element of this problem, destined to become wholly visible and compelling only in later years but also present, in reality, from the start, was the fact that in this complicated world of ours there could be no international relationship which was one of total antagonism or total identity of interests—none which did not contain both sorts of ingredients, however uneven the mix. Just as there could be no relationship of friendship undiluted by elements of rivalry and conflict, so there could be no relationship of antagonism not complicated by elements of occasional common purpose or desiderata.

The fact that these *were,* precisely, the basic elements of the problem was not always clearly visible to all the American statesmen who had to deal with it, any more than it was to all sections of American private opinion. But the fact was always there, on the visible surface or below it; and those who attempted to ignore it risked the prospect of being yanked back sooner or later, and sometimes in painful ways, to the plane of reality.

IV

It would be unfair to search in actions of the American statesmen in the 1917–20 period for the elements of a serious and considered response to this problem. The situation was too chaotic, their oversight over events too imperfect, to expect this of them. But with the end of Allied intervention, and with the gradual grinding to a halt of civil conflict in Russia, the situation became clearer; and it is instructive to observe the emergence of a more systematic and principled response.

The first to make the attempt to design such a response were those who were responsible for the conduct of American diplomacy at the end of the Wilson Administration.

These did not really include Wilson himself, except as the influence of his thinking from earlier days still made itself felt. He lay, at that time, ill and helpless in the White House. But it was impossible for his assistants not to take some attitude toward the problem, and this they proceeded to do. It was a purely ideological attitude, as uncompromising in its acceptance of the Bolshevik challenge as were the authors of that challenge in their creation of it. It was succinctly expressed in the note that Secretary of State Bainbridge Colby addressed to the Italian government on August 10, 1920. "It is not possible for the Government of the United States." Colby wrote:

> to recognize the present rulers of Russia as a government with which the relations common to friendly governments can be maintained. This conviction has nothing to

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> do with any particular political or social structure which the Russian people themselves may see fit to embrace. It rests upon a wholly different set of facts.
>
> . . . upon numerous occasions the responsible spokesmen of this Power . . . have declared that it is their understanding that the very existence of Bolshevism in Russia, the maintenance of their own rule, depends, and must continue to depend, upon the occurrence of revolutions in all other great civilized nations, including the United States, which will overthrow and destroy their governments and set up Bolshevist rule in their stead. . . . We cannot recognize, hold official relations with, or give friendly reception to the agents of a government which is determined and bound to conspire against our institutions.

The essential features of this response are easily observed. It accepted the first of the elements of the problem noted above: the existence of the Soviet state and the impossibility, for the United States, of doing anything to change that situation, beyond the refusal to accord formal diplomatic recognition. It revealed no awareness of the second element: namely the existence of a limited area of common interest; indeed, its authors would have been skeptical of the thesis that such an area existed, or could exist. Nothing of this nature was visible to them.

This declaration was, of course, one of the swan songs of the Democratic Administration of that day. That Administration shortly was to be replaced by the first of the successive Republican Administrations of Harding, Coolidge and Hoover.

The Republicans accepted the reasoning of the Colby note, as far as it went; but to the motivation of the policy of nonrecognition they added one more feature not present in Mr. Colby's pronouncement. This was a reference to the failure of the Soviet government to recognize any obligation in principle to assume the foreign debts of previous Russian regimes or to reimburse foreigners for property previously owned by them in Russia and now nationalized by the Soviet authorities. In the view of these Republican statesmen, the Soviet government, in order to regularize its relations with the United States, would not only have to cease its advocacy of revolution in the United States and its ill-concealed support for elements working to that end, but would have to assume the financial obligations incurred by previous Russian regimes to the U.S. government and to American nationals.

On this, the relationship rested for 13 years. Individual American businessmen were not prevented from traveling in Russia and trading with the Soviet foreign trade monopoly, at their own risk. Herbert Hoover, emerging with halos of glory from his leadership of the American relief effort in Europe at the end of the war, was not prevented from organizing and conducting in Russia, in 1921–22, as a private undertaking, the magnificent work of the American Relief Administration, which saved several million people from starvation and may well, for all anyone can tell, have saved the Soviet regime itself from utter failure and collapse. But the American government itself was officially blind to a regime whose attitude and behavior it found unacceptable as a basis for formal relations.

The Soviet government, for its part, was quite aware, over the years in question, of the complexity of its relations with the Western countries, and of its need for certain forms of collaboration with them even in the face of ideological hostility. It did not, however, find itself too adversely affected by the American stance. What it wanted from the Western powers was trade, recognition, and credits. Trade it got, without difficulty, from all of them, including even the United States. Recognition it received, mostly in the years 1924–25, from all the leading European powers.

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Commercial credit, too, it succeeded in obtaining from some of them, notably the Germans, within the relatively narrow limits prescribed by circumstances. All these benefits were achieved without paying the price the U.S. government was demanding: which was the suppression of the Comintern and the sort of activity its existence implied, as well as major concessions in the field of debts and claims. Thus the incentive on the part of the Soviet leaders to meet these American demands became weaker with the passage of the years. They wanted American recognition and financial help; but they were not prepared to pay, and did not need to pay, the price the Republican Administrations of 1921–33 were demanding.

V

Franklin Roosevelt's assumption of the presidency, in 1933, marked, of course, a fundamental turning point in the relationship. To him, the old question of debts and claims seemed, in itself, unimportant, likewise the issue of propaganda. He recognized that these issues engaged the feelings and interests of important segments of American opinion, and thus presented domestic-political problems he would have to meet; but he could not have cared less about them from his own concept of America's external interests.

On the other hand he was, in contrast to his Republican predecessors, very conscious indeed of the existence of at least one area of common interest with the Soviet Union: with relation, namely, to the threat of Japanese penetration onto the mainland of Asia. This was shortly to be supplemented by similar feelings on his part with relation to Hitler's obvious intention to win for Germany a dominant position on the European continent.

Franklin Roosevelt was contemptuous from the start of the reasoning of the State Department and of the upper-class Eastern establishment which had for so long inspired Republican policy toward Russia. He was much influenced by Mr. William C. Bullitt, the brilliant and charming dilettante who, as a very young man, had been sent to Russia in 1919, during the Peace Conference, by Lloyd George and Colonel House, had returned convinced that it *was* possible to deal with Lenin and his associates and disgusted with the Allied leaders for declining to do so. FDR, persuaded as he was of his own great powers of ingratiation and persuasiveness, readily lent his ear to Mr. Bullitt's suggestions that the Soviet leaders, being human, would now be responsive to a more friendly and conciliatory approach, and that, having even more to fear than did the Americans from a Japanese penetration into Manchuria (not to mention an expansion of Nazi power into Eastern Europe) they could easily be made into an asset from the standpoint of possible resistance to these developments. And the result, of course, was the reestablishment of diplomatic relations between the two countries in the autumn of 1933.

It was characteristic of FDR that the preliminary Soviet-American agreements (the so-called Roosevelt-Litvinov letters), on the basis of which the establishment of diplomatic relations was arranged, were ones designed, in his own eyes, not at all to assure to the United States any real advantage in the forthcoming official relationship, but rather to meet the prejudices and disarm the criticisms of groups within the American political community whose opposition to recognition was to be expected. Such of the wording of the Litvinov letters as appeared to assure a cessation of subversive propaganda and activity with relation to the United States, and a settlement of the questions of debts and claims, was thus far too vague and full of loopholes to satisfy anyone really wishing to see these issues

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resolved; and in this sense it could be charged, and was, that Roosevelt's acceptance of it constituted a direct misleading of the American public. But there is no reason to suppose that FDR doubted that desirable results could be obtained in the end, by one means or another, regardless of the precision of the language of the understandings. For real gains in the Soviet-American relationship the President was inclined to rely not on written documents but on the power of his own charismatic personality.

The result, for anyone who knew anything about Russia, was predictable. The issues of debts and claims were never resolved; it remained for the passage of time to drain them of most of their meaning. The propaganda and the support for subversion did not cease. Trade, instead of increasing, declined. The Soviet authorities, recognition having now been obtained, the Japanese threat having for the moment slightly abated, and it having become clear that in any case the Americans were not going to fight the Japanese for their benefit, now lost interest either in making good on the concessions they had semi-promised or in making new ones. The new American Embassy in Moscow, founded initially with exuberant optimism under the auspices of Mr. Bullitt as the first Ambassador, soon fell victim to the age-old Russian aversion to dealing with the resident-diplomat (regarded as too *avisé,* too guarded and skeptical, too patient and too little susceptible to being rushed into hasty agreements) and its preference for dealing directly with the foreign statesman, innocent of any close personal knowledge of Russian realities.

So Mr. Bullitt, not surprisingly, left in disgust after a year or so of frustration, to join at a later date the ranks of the Soviet Union's most bitter critics and opponents on the Washington scene. His successor, Mr. Joseph E. Davies, a man to whom for various reasons the appearances of good relations were more important than their reality, made a valiant attempt, if not a very plausible one, to maintain those appearances. But he, too, soon gave up the struggle, and retired from the Russian scene in 1938. The American Embassy was felt, thereafter, to share for years to come the dim semi-existence customarily led by the Moscow diplomatic corps, isolated, guarded, seen but not heard, useful—in this case—primarily as a school for young Russian-speaking diplomats, obliged to contemplate and to study the Russian scene while they pondered the reasons for their own isolation.

The years immediately following the resumption of Soviet-American relations were, of course, the years of the purges. With the millions that perished in those fearful agonies, there perished also—there could not help but perish—the magical afterglow of the hope and idealism of the Lenin period. By the end of the 1930s not even the greatest enthusiast could ignore the dread hand of terror, denunciation, and moral corruption that had gripped Russian society. Only the most wishful and uninstructed of foreign sympathizers, outraged by the phenomenon of European fascism and inclined to give the benefit of the doubt to anything that even appeared to oppose it, could retain the illusion that here was a superior and more humane civilization.

But such sympathizers did, of course, exist in the United States. They were encouraged by what seemed to them to be the implications of the economic crisis that had now overtaken their own "capitalist" country. They encouraged, and helped to preserve, in Franklin Roosevelt and certain of those around him a somewhat battered but undefeated partiality for the Soviet regime: a readiness to dismiss the tales of the horror and injustice of the purges as just some more of the anti-Soviet propaganda that had been pouring out from reactionary circles ever since

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the Revolution, and a readiness to continue to believe in the essential progressiveness of the Soviet "experiment," all the more acceptable, seemingly, by way of contrast to the European fascism and Japanese militarism just then advancing upon the world scene.

The Nazi-Soviet Non-Aggression Pact of 1939 was of course a great blow to people who held these views. Together with the ensuing Russian attack on Finland and taking over of the Baltic states, this unexpected development was enough to suppress down to the year 1941 the latent pro-Sovietism just described. But it was not a mortal blow. The inclinations in question survived, below the surface, into the eventful year of 1941. And when in June of that year Russia herself was invaded by Hitler, it was as if the unhappy events of 1939–40 had never occurred: Robert Sherwood's moving play on the suffering of the Finns under the Russian attack was soon revised with the replacement of the Finns by the Greeks, and the Russians by the Germans. A new era, once again dominated by the fact of America's being at war, was beginning to dawn in the history of Soviet-American relations.

VI

Never, surely, has the congenital subjectivity of the American perception of the outside world been more strikingly illustrated than in the change of attitude toward Russia that followed Pearl Harbor and the ensuing German declaration of war on the United States, in December 1941. Gone, as if by magic, were most of the memories and impressions of the past. Forgotten, now, were the Russian purges, along with the reflection that the men now running Russia's war effort and diplomacy were the same who had once conducted those bloody persecutions. Forgotten, too, were the cruelties only recently perpetrated by Beriya's police establishment upon the innocent populations of Eastern Poland and the Baltic states. Forgotten was the fact that Russia's involvement in the war was neither the doing nor the preference of her own rulers: that, on the contrary, they had made desperate efforts to remain aloof from it, and would, had this been possible, have witnessed without a quiver of regret further Western reverses in the war, provided only that the contest was sufficiently bloody and prolonged to exhaust Germany's war-making potential along with that of its Western opponents. Ignored, in large measure, was the fact that the demands which Stalin was making on his Western allies, even as early as the end of 1941, were substantially the same as those he had placed before Hitler as the price for Russia's initial neutrality. In place of all this there emerged, and was systematically cultivated in Washington, the image of a great Soviet people, animated by the same noble impulses of humane indignation and yearning for a future free of all tyranny by which Americans conceived themselves and their allies to be animated, fighting with inspiring heroism and grandeur against an opponent in whose repulsive political personality all the evil of an imperfect world seemed to be concentrated.

The image was, of course, not wholly wrong. The heroism was there. So was the grandeur of the effort. That the Western powers owed their military victory to that effort, in the sense that without it their victory could never have been achieved, was undeniable. It was also true that a great proportion of the Soviet people conceived themselves to be fighting for the defense of their homeland—an aim with which Americans could at least sympathize even if the homeland was not theirs.

But what was important, of course, in the given circumstances, was not what

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the mass of the Soviet people conceived themselves to be fighting for but what their rulers perceived as the uses they wished to make of victory; and this, as the past had shown, was a different thing.

Weighty reasons were offered for the idealization of the Soviet ally, and the encouragement of belief in the possibilities of postwar collaboration with it, that inspired so much of Franklin Roosevelt's wartime policy. Without a belief on the part of the public that Russians and Americans were fighting for the same thing it would have been impossible, it was said, to maintain American enthusiasm for the war effort and the readiness to give aid to Russia in the pursuit of that effort. Without American aid, without American moral support, without expressions of American confidence in Russia, Stalin might have been tempted, it was argued, to make a compromise peace with the Nazis, permitting Hitler to concentrate his entire great force against the West.

There was much in these arguments. The weakest part of them was perhaps that which most appealed to the American military establishment, now the center of American policymaking: the fear of a complete Russian collapse or (as the tide turned) of a separate Russian-German peace. Stalin, of course, would have loved the latter, though not until the Germans had been expelled from at least the pre-1939 territory of the Soviet Union; and once things had gone that far, and the Germans had begun to crumble, then his own appetite was stimulated to a point where he saw no need to stop. But that fear of such a development, coupled with a sense of humiliation over their own inability (until 1944) to pick up a larger share of the military load, haunted the American military leadership throughout the war and inclined them to give moral and material support to their Soviet opposite numbers in every possible way, is clear.

Behind this whole argument, however, there lay a deeper question: and that is whether it ever pays to mislead American opinion, to be less than honest with it, even in the interests of what is perceived by the political leadership as a worthy cause. It is characteristic of wartime psychology that the end tends to be seen as justifying the means. But when the means include the manipulation of opinion by the creation and propagation of unreal images, there is always a price to be paid at a later date; for the distortions thus engendered have some day to be straightened out again.

And so it was in the years after 1945. It must be said in defense of FDR and his associates that they probably never fully realized (although they came closest to it in the days just preceding the President's death) the extent to which they *were* actually misleading American opinion on this point. Amid the stresses of a great war effort it is particularly easy for the wish to play father to the thought. Stalin, too, encouraged, in his own delicate and cautious way, the propagation of this myth: soft-pedaling, while the war was in progress, certain forms of criticism of the Western Allies, and making adroit use of those idealistic semantic generalities which can mean all things to all people.

But the fact remains, however extenuating the circumstances, not only was the unreal dream of an intimate and happy postwar collaboration with Russia extensively peddled to large portions of the American public during the war, but they were encouraged to believe that without its successful realization there could be no peaceful and happy future at all.

The events of the final weeks of the war and of the immediate post-hostilities period rapidly demolished this dream. Event after event: the behavior of the

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Soviet forces in the half of Europe they overran; the growing evidence that the Soviet authorities had no intention of permitting the free play of democratic forces in the countries of that great region; their cynical reluctance to collaborate in the restoration of economic life and stability in areas they did not control; the continued secretiveness and inscrutability of Soviet policymaking and political action; the failure to enter upon any extensive demobilization of the Soviet armed forces; the narrow, suspicious and yet greedy behavior of Soviet representatives in the new international organizations—all these things fell heavily upon a public in no way prepared for them; nor was there any Franklin Roosevelt, now, with his talent for the leadership of opinion, to make the transition in company with those whom he had, wittingly or otherwise, misled—to ease them out of the wartime euphoria he had once eased them into.

The results were not unnatural. Unrequited love now turned only too easily into unreasonable hatred. To people taught to assume that in Russian-American postwar collaboration lay the only assurance of future peace, the absence of that collaboration, in the light of a conflict of aims becoming daily more visible, inevitably conduced to visions of war. To people unsettled by the recent experience of being at war, the real personality of Russia, in all its vast complexity, was often lost to view; and in its place, assuming in many respects the aspect of the late-departed Hitler, there emerged one of those great and forbidding apparitions to the credence in which mass opinion is so easily swayed: a monster devoid of all humanity and of all rationality of motive, at once the embodiment and the caricature of evil, devoid of internal conflicts and problems of its own, intent only on bringing senseless destruction to the lives and hopes of others.

Neither of these reactions—neither the exorbitant wartime hopes nor the angry postwar disillusionment—were shared by all sections of American opinion; and where they were shared, not all experienced them in like degree. There were those who labored, with moderate success, to correct them. Alone the effect of these aberrations might not have been deep or enduring. But they happened to fall in, most fatefully, with the emergence of a new pattern of fears and misunderstandings —this time of a military nature.

The failure of the Soviet government to carry out any extensive demobilization in the post-hostilities period has already been mentioned. Here again, taken outside the context of ulterior circumstances, this might not have been unduly alarming. For centuries it had been the custom of Russian rulers to maintain in being, even in time of peace, ground forces larger than anyone else could see the necessity for. The reasons for this must be assumed to have been primarily of a domestic political and social nature. But this time the circumstances—and along with the circumstances, the reactions—were different in a number of respects.

In the first place, in contrast to the situation of earlier decades and centuries, the Russian armed forces now had an area of deployment in the very heart of Europe, with secure lines of support and communication behind them. In the past, it had been possible to employ their great numerical strength in Western Europe only after first overcoming both the geographic and the military impediments of the territory that lay between Russia's traditional western borders and the industrial heartland of the European continent. Now, a Soviet offensive, if one wished to launch one, could be started from within 60 miles of Hamburg or 100 miles of the Rhine. To military planners, trained to give greater weight to capabilities than to intentions, this could not fail to be disturbing. And not to

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military planners alone. The peoples of Western Europe, all of whose memories, with one or two exceptions, included the overrunning of their homelands by foreign troops at one time or another, and usually within the past century, suffered from *la manie d'invasion* and found it difficult to believe that the Russians, having already overrun so many countries since 1944, should not wish to overrun more.

Secondly, Western strategists, inclined anyway, for reasons of professional prudence and others, to a chronic overrating of the adversary's capabilities, now found themselves confronting no longer the traditional primitive and slow-moving Russian ground forces, defensively strong on their own ground but not well fitted for offensive purposes against a strong Western opponent, but rather, modern, mechanized units with equipment little inferior, sometimes not inferior at all, to that of the Western armies themselves. The result, of course, was increased anxiety.

But overshadowing both of these factors, as a source for the militarization of American thinking about the problem of relations with Russia, was of course the development by the Russians of a nuclear capability, visible from 1949 onward.

The writer of these lines knows no reason to suppose that the Soviet leadership of Stalin's day ever allotted to the nuclear weapon anything resembling a primary role in its political-strategic concepts. There is no reason to doubt that Stalin saw this weapon as he himself described it: as something with which one frightened people with weak nerves. Not only was he aware from the start of its potentially suicidal quality, but he will be sure to have recognized, as one in whose eyes wars were no good unless they served some political purpose, that for such purposes the nuclear weapon was ill suited: it was too primitive, too blindly destructive, too indiscriminate, too prone to destroy the useful with the useless.

Merciless as he could be, and little as his purposes may have coincided with ours, Stalin was entirely rational in his external policies; war, for him, was not just a glorified sporting event, with no aim other than military victory; he had no interest in slaughtering people indiscriminately, just for the sake of slaughtering them; he pursued well-conceived, finite purposes related to his own security and ambitions. The nuclear weapon could destroy people; it could not occupy territory, police it, or organize it politically. He sanctioned its development, yes—because others were doing so, because he did not want to be without it, because he was well aware of the importance of the shadows it could cast over international events by the mere fact of its inclusion in a country's overt national arsenal.

But it was not to this weapon that he looked for the satisfaction of his aspirations on the international plane. Indeed, in view of the physical dangers the weapon presented, and the confusion which its existence threw over certain cherished Marxist concepts as to the way the world was supposed to work, he probably would have been quite happy to see it removed entirely from national arsenals, including his own, if this could be done without the acceptance of awkward forms of international inspection. And if his successors were eventually forced into a somewhat different view of the uses of the weapon, as they probably were, it was surely the Western powers, committed from the start to the first use of the weapon in any major encounter, whether or not it was used against them, that did the forcing.

Little of this was perceived, however, on the Western side—and on the American side in particular. Once again, the interest in capabilities triumphed over any evidence concerning intentions. The recognition that the Russians had the weapon, and the necessary carriers, served as sufficient basis for the assumption that they

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had a desire to use it and would, if not deterred, do so.

In part, this was the product of the actual discipline of peacetime military planning. The planner has to assume an adversary. In the case at hand, the Russians, being the strongest and the most rhetorically hostile, were the obvious candidates. The adversary must then be credited with the evilest of intentions. No need to ask *why* he should be moved to take certain hostile actions, or whether he would be likely to take them. That he has the capability of taking them suffices. The mere fact that they would be damaging to one's own side is regarded as adequate motive for their execution. In this way not only is there created, for planning purposes, the image of the totally inhuman and totally malevolent adversary, but this image is reconjured daily, week after week, month after month, year after year, until it takes on every feature of flesh and blood and becomes the daily companion of those who cultivate it, so that any attempt on anyone's part to deny its reality appears as an act of treason or frivolity. Thus the planner's dummy of the Soviet political personality took the place of the real thing as the image on which a great deal of American policy, and of American military effort, came to be based.

Nor does this exhaust the list of those forces which, in the aftermath of World War II, impelled large portions of influential American opinion about Russia into a new, highly militaristic, and only partially realistic mold. The fall of China to its own Communists, a development that was by no means wholly agreeable to the Soviet leadership, came soon to be regarded as the work of Moscow, implemented (was there ever an odder flight of the imagination?) not directly but through the agency of naïve or disloyal Americans. Out of this, and out of the related discovery that there was political mileage to be made by whipping up suspicions of fellow citizens, there emerged the phenomenon known as McCarthyism, the unquestioned premise of which was the existence of a diabolically clever Russian-Communist enemy, consumed with deadly hostility and concerned only with our undoing. And not long thereafter came the misreading by the official Washington establishment of the nature and significance of the Korean War—a misreading by virtue of which an operation inspired overwhelmingly by local considerations related to the situation in the Manchurian-Korean area, and one from which the Soviet government studiously kept its own forces aloof, came to be regarded and discussed in Washington as, in effect, an attack by the Soviet Red Army across international borders, and as only the first move in a sort of Hitlerian "grand design" for military world conquest.

It was out of such ingredients that there emerged, in the late 1940s and early 1950s, those attitudes in American opinion that came to be associated with the term "cold war." These were never to dominate all of American opinion. Many people, while generally prepared to give a polite show of outward credence to the image of the Soviet adversary just described, remained aware of the scantiness of their own information and were prepared, by and large, to reserve judgment. In their extreme form the fixations in question remained the property of a small but strongly committed right-wing minority, the electoral weakness of which was repeatedly demonstrated, and of the military budgeteers and nuclear strategists, who had little electoral significance at all.

Nevertheless, the image of the Soviet Union as primarily a military challenge was now widely accepted. And for reasons that warrant more scholarly investigation than they have received, the resulting fixations acquired a curiously hypnotic

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power over the professional political community. A certain show of bristling vigilance in the face of a supposed external danger seems to have an indispensable place in the American political personality; and for this, in the early 1950s, with Hitler now out of the way, the exaggerated image of the menacing Kremlin, thirsting and plotting for world domination, came in handy. There was, in any case, not a single Administration in Washington, from that of Harry Truman on down, which, when confronted with the charge of being "soft on communism," however meaningless the phrase or weak the evidence, would not run for cover and take protective action.

These observations should not be misunderstood. The reality that deserved recognition in place of this exaggerated image was never its opposite. There were indeed, throughout this period, as there always had been before, threatening elements in both Soviet rhetoric and Soviet behavior. That behavior remained marked at all times, in one degree or another, by features—disrespect for the truth; claims to infallibility; excessive secrecy; excessive armaments; ruthless domination of satellite peoples; and repressive policies at home—that were bound to arouse distaste and resentment in American opinion, and thus to feed and sustain the distorted image of Soviet Russia we have just had occasion to note. It is not too much to say, in fact, that if the Soviet leaders did not want to live with this image, they could have done a great deal more than they actually did to disarm it; a few obviously specious peace congresses and the ritualistic repetition of professions of devotion to the cause of "peace" (as though peace were some sort of abstraction) were never enough.

Most serious of all, as distortions of understanding from the Soviet side—particularly serious because massively and deliberately cultivated—were the dense clouds of anti-American propaganda put out, day after day, month after month, and year after year, in the postwar period by a Soviet propaganda machine that had never been inhibited by any very serious concern for objective and observable truth, and was now more reckless than ever in its disregard for it. The extremes to which this effort was carried, particularly in those final months of Stalin's life that coincided with the high point of the Korean War, were such as to be scarcely conceivable except to those who experienced them at first hand. Here, the United States was portrayed, of course, as the most imperialist, militaristic and generally vicious of all aggressors. And this affected the climate of relations at both ends; for on the one hand, the very extremism of these attacks confirmed Americans in their view of the sinister duplicity of Soviet policy (why, it was asked, should a government that was really of peaceful intent have such need for the lie in the statement of its case?); while on the other hand, those Soviet leaders and officials who had a part in the making of policy, despite the cynicism with which they launched this propaganda, could not help being affected by it themselves, and were influenced accordingly in their interpretation of American behavior.

Against this background of mutual misunderstanding, the course of Soviet-American relations in the immediate postwar years, and to some extent down into the Khrushchev era, was determined by a series of spontaneous misinterpretations and misread signals which would have been comical had it not been so dangerous. The Marshall Plan, the preparations for the setting up of a West German government, and the first moves toward the establishment of NATO, were taken in Moscow as the beginnings of a campaign to deprive the Soviet Union of the fruits of its victory over Germany. The Soviet crackdown on Czechoslovakia and the

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mounting of the Berlin blockade, both essentially defensive (and partially predictable) reactions to these Western moves, were then similarly misread on the Western side. Shortly thereafter there came the crisis of the Korean War, where the Soviet attempt to employ a satellite military force in civil combat to its own advantage, by way of reaction to the American decision to establish a permanent military presence in Japan, was read in Washington as the beginning of the final Soviet push for world conquest; whereas the active American military response, provoked by this Soviet move, appeared in Moscow (and not entirely without reason) as a threat to the Soviet position in both Manchuria and in eastern Siberia.

And so it went, less intensively, to be sure, after Stalin's death, but nonetheless tragically and unnecessarily, into the respective misinterpretations of such later events as the bringing of the Germans into NATO, the launching of the first Sputnik, the decision to introduce nuclear weapons into the continental components of NATO, the second and prolonged Berlin crisis provoked by Khrushchev in the late fifties and early sixties, and finally the Cuban missile crisis. Each misreading set the stage for the next one. And with each of them, the grip of military rivalry on the minds of policymakers on both sides was tightened and made more final.

VII

One of the most fateful effects of this preoccupation with the military aspects of the relationship was to dull in a great many Americans, including many legislators, opinion-makers and policymakers, the sensitivity to real and significant changes occurring in Soviet society and leadership. Most fateful of all was their effect in obscuring the significance of Stalin's death. The changes that followed on that event were of course gradual ones, and ones of degree. In part, they were the objects of deliberate efforts at concealment on the part of the new leadership. All this, admittedly, made them not always easy of recognition. But they were important. They greatly deserved American attention. And they were not undiscernible to trained and attentive eyes, of which the American government had a number, if it had cared to use them.

The Khrushchev era, and particularly the years from 1955 to 1960, presented what was unquestionably the most favorable situation that had existed since the 1920s for an improvement of relations with Russia and for a tempering of what was by this time rapidly becoming a dangerous, expensive, and generally undesirable competition in the development of armed forces and weapons systems. Khrushchev certainly had his failings—among them, his boasting, his crudeness, his occasional brutalities, his preoccupation with Soviet prestige and his ebullient efforts to ensure it—most of these were the failings of a man who was outstandingly a peasant *parvenu,* not born to the habit or expectation of great power and with a tendency to overdo in the exercise of it. But he was intensely human, even in relations with the ideological opponent. One could talk with him—talk, so far as he was concerned, to the very limits of one's physical stamina (his own appeared to be unlimited).

The primitive and naïve nature of Khrushchev's faith in Marxist-Leninist principles as he understood them was, strange as this may seem, an advantage; for it caused him to wish, even in confrontation with the capitalist visitor, to convince, to convert, and—to this end—to communicate. This, from the standpoint of efforts to reach a better understanding, was far better than the crafty cynicism of a Stalin. To which must be added the recollection that Khrushchev's secret speech, at the

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Twentieth Congress of the Party in 1956, dealt to the extreme Stalinist tendencies in the Party and in the world communist movement a blow from which they were never fully to recover.

The Khrushchev period, too, was of course not lacking in serious crises. In addition to the Berlin crisis mentioned above, there was, above all, the Hungarian rebellion of 1956. It should not be taken as an apology for the Soviet action at that time if one points out that this action was neither correctly understood nor usefully reacted to on the American side. The misunderstanding arose (as it was again to do in the face of the Czechoslovak crisis of 1968) from the apparent inability of a great many Americans to understand that the Soviet hegemony over Eastern Europe, established by force of arms in the final phases of the war and tacitly accepted by this country, was a seriously intended arrangement that the Soviet leadership proposed to maintain, if necessary, by the same means with which they had acquired it.

As for the American reaction: the resort to armed force by the Western powers was never a feasible alternative; the conflict could not have been limited; and even Hungary was not worth a nuclear war. Where the United States might usefully have acted was by an offer to make certain modifications in its military posture in Western Europe if the Soviet government would let things in Hungary take their course. But the preoccupation of the American Secretary of State at that moment with the deplorable happenings of the Suez crisis, together with the already firm commitment of the United States and the other NATO members against anything resembling a disengagement in Europe, made such an offer impossible.

The situation remained, therefore, essentially unchanged. In certain relatively powerless sectors of the American government establishment people continued to explore, patiently and with insight, the possible channels of approach to a less dangerous and more hopeful state of affairs. But in other and more powerful echelons other people continued to carry on with the concepts born of the Korean War, as though Stalin had never died, as though no changes had occurred, as though the problem were still, and solely, the achievement of superiority in preparation for a future military encounter accepted as inevitable, rather than the avoidance of a disastrous encounter for which there was no logical reason at all and which no one could expect to win. The interests of the gathering of military intelligence continued to be given precedence over the possibilities for diplomatic communication. And who does not remember the result? The almost predictable accident occurred. The U-2 plane was brought crashing to the ground in the center of Russia, carrying with it the prestige of Khrushchev, discrediting him in the eyes of his own colleagues, shattering his ascendancy over the Soviet military establishment, hastening the end of a career already seriously jeopardized by other factors.

VIII

Four years were still to elapse before Khrushchev's final fall—years marked by President Kennedy's rather unsuccessful effort to establish a personal relationship with Khrushchev, and by the further complication of the Cuban missile crisis. Whether the unwise effort to put missiles in Cuba was something forced upon Khrushchev by his own colleagues, or whether it was a last desperate gamble on his part with a view to restoring his waning authority, seems still to be uncertain; but that it completed the destruction of his career is not. And from 1965 on, with

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LBJ now in the White House by his own right and with Khrushchev removed from the scene, a new period opened in Soviet-American relations.

The omens, at the outset of Mr. Johnson's incumbency, were not, by and large, wholly unfavorable. The shock of the recent unpleasantnesses still weighed, to be sure, upon the atmosphere of relations. But even the fall of Khrushchev had not canceled out many of the favorable changes in Soviet conditions against which Soviet-American relations had to proceed; modest improvements, and gradual ones, to be sure, but not without their significance. The terror had been mitigated. The independence of the secret police had been greatly curtailed. There had been some relaxation of the restrictions on association of Russians with foreigners. There was a greater willingness on the part of the authorities to permit many forms of participation by Soviet citizens in international life, culturally and in the sports. These changes were, to be sure, only partially recognized in Washington. Many people, as the future would show, remained quite blind to them. But LBJ and his Secretary of State, Dean Rusk, were not wholly oblivious to them, nor did they fail to try to take some advantage of them. The result was that certain gains were made, in the 1966–68 period which, if one had been able to build further on them, might well have developed into the sort of thing that later, in the early 1970s, came to be known as "détente." (The word was in fact even then in use.) Agreements were reached on the opening up of direct airline communications, on the establishment of consular representation in cities other than the respective capitals, and (in very modest measure) on certain fishing problems. New arrangements for cultural exchange were agreed upon, and the first soundings were taken for what were later to be the SALT talks and the collaboration in space exploration and research.

These beginnings soon fell victim, however, to two developments: first, the Soviet action in Czechoslovakia in 1968; secondly, and of much greater importance, the American involvement in Vietnam. It was not until the first could be forgotten, and the second brought into process of liquidation in the early 1970s, that prospects again opened up for further progress along the lines pioneered by Messrs. Johnson and Rusk some four to six years earlier.

IX

The positive results of the phase of Soviet-American relations that came to be known (somewhat misleadingly) as the Nixon-Kissinger détente are too recent to require extensive recapitulation. These results were compressed, for the most part, into an extraordinarily short period, but one full of activity: from the time of the Kissinger visit to China in the summer of 1971 to the Brezhnev visit to the United States in June 1973. The individual bilateral agreements arrived at in the course of the various negotiations and high-level visits were too numerous to be listed here. They covered some 15 to 20 subjects, sometimes overlapping, and sometimes representing successive stages in the treatment of a single subject. Not all of them were of great political importance; a number of them represented beginnings, rather than the full-fledged achievement of wholly open, fruitful and secure arrangements; but they represented steps forward. The most important of them was, without question, the SALT agreement signed by Messrs. Nixon and Brezhnev on the occasion of the former's visit to Moscow in May 1972.

These were all bilateral Soviet-American agreements. They were flanked, of course, in their early stages, by the achievements of what came to be called Chan-

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cellor Willy Brandt's "Ostpolitik." (Again, this was a poor term—as though this were the first German government, or the last, ever to have a policy toward the East.) There were also the highly confusing and largely meaningless negotiations that were to lead, eventually, to the Helsinki agreements—multilateral negotiations in which the Americans took only an unenthusiastic and secondary part. But by and large, the Nixon-Kissinger détente was a movement of a positive nature in bilateral Soviet-American relations, observed even with some uncertainty and misgiving by America's European allies.

From the Soviet standpoint this effort of policy was stimulated and made possible by two changes in the international situation that marked the early 1970s: the liquidation of America's Vietnam involvement and the Nixon visit to Peking, followed by the establishment of a de facto American-Chinese official relationship. At the American end it was of course simultaneously the presence in positions of authority in Washington of two men: Richard Nixon, then at the height of his power and prestige, bringing to the White House a reputation as a cold-war hard-liner which gave him a certain margin of immunity from right-wing attack as he moved to improve relations with Russia; and Henry Kissinger, who brought to the operation a measure of imagination, boldness of approach, and sophistication of understanding without which it would have been difficult of achievement.

Both sides saw in this effort toward the improvement and enrichment of the relationship a chance for reducing the dangers of unlimited rivalry and proliferation in the field of nuclear weaponry; and both, be it said to their credit, were aware of the immense, almost mandatory, importance of progress in this direction. In addition to this, the Soviet side saw reinforcement for itself in its relations with Communist China, and a measure of assurance against too intimate or exclusive an association between that power and the United States. The American side was astute enough to realize that the various rigidities that marked the cold war, both as a state of mind in America and as a condition of American-Soviet relations, were not conducive to American interests in other areas of the world. In addition to this it is evident that Mr. Nixon was not wholly indifferent to the domestic-political fruits to be derived from the drama of successive summit meetings.

These recognitions, however, also roughly defined and delimited the aims and the scope of détente. Beyond them, it was not possible to go. The Soviet leaders were determined that the development should not affect the intactness of the dictatorship at home; nor was it to hinder them from continuing to adopt, with relation to the problems of third countries, a rhetorical and political stance of principled revolutionary Marxism, designed to protect them from charges by the Chinese Communists that they were betraying the cause of Leninism-Marxism. There is no evidence that they ever attempted to conceal from their Western opposite numbers the nature or the seriousness of these reservations.

Whether, in their actions affecting the 1973 Middle Eastern war and—somewhat later—Angola, the Soviet authorities did not violate at least the spirit of the earlier understandings with Messrs. Nixon and Kissinger is a question that surpasses the limits of this examination. But some people on the American side certainly thought that this was the case; and the impression was used to justify the very clear changes that did occur in American policy.

The pressures against détente had never been absent in Washington, even at the height of its development; they had only been repressed by the momentary prestige and authority of the White House. As the power of the Nixon presidency disin-

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tegrated in 1973 and 1974, the anti-détente forces moved again to the battle lines, and with great effectiveness. This was, to some extent, only to be expected; for the overdramatization of the earlier contacts and negotiations had bred false hopes and concepts of what could be achieved; and a certain disillusionment was inevitable. The signs of this reaction were already apparent in late 1973. Efforts to save the situation by another (and very misconceived) Nixon visit to Moscow, in June 1974, were unavailing. Some limited further progress was made, to be sure, in the field of cultural exchanges. But by this time, resistance in the Pentagon and elsewhere to any further concessions of consequence in the SALT talks, as well as to any acts of self-restraint in the development of American weapons programs, was too strong to be overcome, particularly by a desperate and harassed Nixon, or even by a bewildered Gerald Ford, by no means personally unresponsive to hard-line pressures.

The Jackson-Vanik Amendment, and the subsequent demise of the trade pact, dealt a bitter blow to any hopes for retaining the very considerable momentum that had been obtained in the development of Soviet-American relations. The very modest and tentative results of the Vladivostok meeting led only to new protests and attacks from anti-détente forces that now had the bit in their teeth and were not to be gainsaid. By the beginning of 1975, although the various cultural agreements reached under the heading of détente were still in effect and were being, so far as can be judged from the public reports, punctiliously observed by both sides, the prospects for further success in the SALT talks had been heavily damaged, and along with them the political atmosphere in which, alone, further progress could be made in the improvement of the Soviet-American relationship generally.

What followed—the wrangling over the language of the Helsinki agreements, the conflict over Angola, even the most recent spate of expressions of alarm in Washington over the pace of development of the Soviet armed forces—these were in the main the products rather than the causes of the limited deterioration of the Soviet-American relationship which the period since mid-1973 has witnessed.

X

It would be idle to pretend, as the year 1976 runs its course, that the prospects for the future of Soviet-American relations are anything less than problematical. Formidable impediments continue to lie across the path of any efforts at improvement. The Soviet authorities will no doubt continue to adhere to internal practices of a repressive nature that will continue to offend large sections of American opinion. They will continue to guard what they regard as their right or their duty to subject the United States to periodic rhetorical denunciation and to give to anti-American political factions in third countries forms of support that Americans will find unreconcilable with a desire for good relations with this country. They will, rather because they are Russians than because they are Communists, continue to cultivate and maintain armed forces on a scale far greater than any visible threat to their security would seem to warrant. They will continue what they will describe as efforts to achieve parity with the United States in naval and long-range nuclear capabilities; and others will continue to be in doubt as to whether these are not really efforts to achieve a decisive, and irrevocable, superiority. They will continue to hide all their undertakings behind a wholly unnecessary degree of secrecy—a secrecy which invites exaggerated fears on the other side and enhances the very dangers to which it is supposed to be responsive. None of this will be

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helpful to the development of the relationship.

On the other hand, the Soviet leadership has, and will continue to have, a high degree of awareness of the dangers of a continued nuclear competition. Along with all its exaggerated military efforts, it does not want, and will not want, a world war. It has a keen realization of the suicidal nature of any nuclear war; and it has too many internal problems to allow it to wish to assume inordinate risks. It is now governed, furthermore, by a relatively old, habit-worn and weary bureaucracy, which is going to have to give over in the relatively near future. Waiting in the wings is a new generation of officials who, insofar as one is able to judge them at all, would appear to be no less tough than their elders, no less capable, and certainly no less nationalistic, but more pragmatic, less confined by ideological rigidities, less inhibited in association and converse with foreigners. To which must be added that curious streak of friendly and sometimes even admiring interest in the United States—a mixture of curiosity, eagerness for peaceful rivalry, and sometimes even real liking—that runs through the Soviet population and has never failed to be noted by observant American students of Russian life.

All these factors lend assurance that, given an American policy reasonably adjusted to these contradictions of the official Russian personality and conscious of the immensity of what is at stake in the future of the relationship, there need be no greater danger of apocalyptic disaster arising out of that relationship than there has been in the past—and the United States, after all, has contrived to live in the same world with this regime for over half a century without finding it necessary to resort to arms against it in order to protect American interests. Possibly there could even be a further successful effort to improve things.

But if this is to occur, American statesmanship will have to overcome some of the traits that have handicapped it in the past in dealing with this most unusual, most dangerous, and most serious of all the problems of foreign policy it has ever had to face. It will have to overcome that subjectivity that caused Americans to be strongly pro-Soviet at the height of the Stalin era and equally anti-Soviet in the days of Khrushchev, and to acquire a greater steadiness and realism of vision before the phenomenon of Soviet power. It will have to make greater progress than it has made to date in controlling the compulsions of the military-industrial complex and in addressing itself seriously to the diminution, whether by agreement or by unilateral restraint or both, of the scope and intensity of the weapons race.

American politicians will have to learn to resist the urge to exploit, as a target for rhetorical demonstrations of belligerent vigilance, the image of a formidable external rival in world affairs. And American diplomacy will have to overcome, in greater measure than it has done to date, those problems of privacy of decision and long-term consistency of behavior which, as Tocqueville once pointed out, were bound to burden American democracy when the country rose to the stature of a great power. In all of this, American statesmanship will need the support of a press and communications media more serious, and less inclined to oversimplify and dramatize in their coverage of American foreign policy, than what we have known in the recent past.

It is not impossible for American government and society to make these advances. To do so, they have only to match the best examples of American statesmanship in the past, but then to give to their achievements, this time, a more enduring commitment and a deeper general understanding than was the case at

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other high moments of American performance.

There is not, however, infinite time for the achievement of these results. Certain of the trends of international life at this moment for which the United States bears a very special responsibility, notably the steady expansion and proliferation of nuclear weaponry and the preposterous development of the export of arms from major industrial countries, are ones which it is impossible to project much farther into the future without inviting catastrophes too apocalyptic to contemplate. The greatest mistake American policymakers could make, as the country moves into the years of a new Administration, would be to assume that time is not running out on all of us, themselves included.

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THE "COMMUNIST QUESTION" IN ITALY

By Sergio Segre

THE existence of a "Communist question" in Italy is now generally recognized, both in Italy and abroad, whatever approach one may take to this question. Similarly, a "Communist question" exists in France and in other West European countries. While these various "questions" may seem to represent a single phenomenon affecting the situation of a number of West European countries, they actually take quite different forms from one nation to the next. And this is only natural when you consider the differences in the histories of the countries involved and in the political proposals advanced by the various Communist Parties. I intend here to indicate only some of the characteristic features of the "question" in Italy. Obviously this requires some reflection on Italian history of the past 30 years and answers to a number of questions: Why has this question emerged so acutely today? What are the political goals—in domestic and international policy—of the Italian Communist Party (PCI), the party that is the subject and object of this "question" and just what is this party? What would be the consequences for Italy's foreign relations of Communist participation in a parliamentary majority or government?

To understand why the "Communist question" is so urgent today, we must first take a brief look at Italian political history since World War II. During this period, Italy has gone through three political cycles: the first, characterized by the governments of national unity with Communist participation (1945–1947), was brought to an end primarily by the repercussions on the national level of a change in the international climate and the onslaught of the cold war; the second was dominated by centrist governments from 1947 to the early 1960s; and the third, dominated by the Center-Left, began in 1962. This third cycle has now come to an end, as even its protagonists, beginning with the Socialist Party, are ready to concede.

Italy therefore finds herself today in the midst of what is commonly known as a "phase of transition"—a phase characterized by acute

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political crisis and aggravated, in the present case, by a state of grave economic and social crisis. The gap existing between the accelerating political, economic and social crises and the ability of political processes at the national level to provide a positive solution further accentuates the uncertainties and difficulties of the present moment in Italian affairs.

It is in this context that we must consider the impact of the political proposal of the "historic compromise," advanced by the General Secretary of the PCI, Enrico Berlinguer, shortly after the tragic overthrow of the Popular Unity Government in Chile. This impact has several causes. The first, and perhaps the most important, is the fact that, with the end of the Center-Left phase, the "historic compromise" represents the only substantially new and positive political proposal and thus is a point of reference for a country anxiously seeking a road to the future. Nor did this proposal come out of the blue. In a certain sense, it represents the logical development, or better, an adaptation to present circumstances, of the political line followed by the PCI during the whole postwar period: a line calling for collaboration among all the popular forces. It is to this collaboration among political forces of differing ideological inspirations—in particular, Communists, Socialists and Catholics—that we owe, among other things, the breadth of the Resistance struggle in Italy against fascism and nazism, alongside the Allies. To it we also owe the Constitution of the Italian Republic, whose thirtieth anniversary Italy in celebrating at the same time as the bicentenary of American independence. The lack of such collaboration in the years following 1947—and the fact that the Christian Democratic Party, which has dominated the Italian government since then, opted for a policy that divided the popular forces—is today seen by a growing number of historians and political commentators as the underlying reason why Italy has not succeeded in carrying out those structural reforms necessary to bring her up to the level of the more developed countries. Thus, Italy today finds herself in worse shape than any other West European nation to face such a crisis.

Moreover, the proposal for a "historic compromise" owes its impact to the conviction that Italy's crisis is so deep, and the effort required to reverse the trend toward national decadence and give the country a new start so vast and difficult, that no single political force, however powerful, can hope to go it alone. The basic raison d'être of the "historic compromise" lies in the conviction that it is essential to promote convergence and collaboration among all the democratic and popular forces, since any other policy (including the "Left

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alternative," that is, an alliance of Communists and Socialists alone) would split the country in two, with results that could be fatal for democracy. This political consideration is a constant for the Italian Communists, as we have always, from Gramsci down to our own days, attributed decisive importance to the weight and role of Catholicism in Italian society. The Chilean tragedy has underscored this consideration. What is required is not head-on confrontation, then, or a "Left alternative," but rather action aimed at promoting the widest possible unity among all the democratic forces, unity based on the broadest popular consensus within a highly developed pluralistic system protected by democratic guarantees.

In the present period of deep crisis only a convergence of efforts can produce the degree of political determination and popular consensus required to carry out all the reforms (and bear all the sacrifices) necessary—in the short, medium and long term—to make Italy a really modern country in which to live. Today, almost everyone recognizes that the old model of economic development has seen its day and a new one must be built that gives priority to important areas of social consumption over individual consumerism, while at the same time achieving a democratic form of planning capable of ensuring a stable, organic, balanced development of the Italian economy in all its sectors. Without a new orientation of this type in economic policy, it will be possible neither to eliminate regional imbalances nor to solve those most basic problems—housing, education, transportation, health—which are a precondition to modernization. Only such a reorientation can provide jobs for those growing masses of people—and particularly the young—who cannot find work. Only a fundamental restructuring of the economic system can ensure the development of agriculture (a sector that weighs heavily on Italy's trade deficit), facilitate a forward-looking policy of soil and water conservation and defense of the environment. And last but not least, only a radical new approach will make it possible to safeguard Italy's immense artistic heritage, today in a state of scandalous neglect, and to save from ruin cities like Venice, which belong to the history of world culture and civilization.

But Italy's problems do not stop here. There is need for a profound renewal of the whole state machine, today reduced to a condition of virtual paralysis (for example, consider the widespread phenomena of tax evasion and illegal export of capital, which the pitifully incompetent state of the fiscal machine encourages). We must mount a relentless fight against all forms of waste, corruption and crime. "A nation can stand a period of difficulty and hardship when it under-

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stands the reasons behind it; but it cannot live, conserve its moral unity and move ahead without a vision and goals for which it can strive," Enrico Berlinguer pointed out in his report to the Central Committee in preparation for the PCI's last Congress. And he added, shortly after: "Our general approach has always been and remains that of solving the workers' and the country's problems, of renewing society and guaranteeing the orderly development of civil life, through the democratic process and through understanding and agreement among all the popular forces."

Here, then, is the primary reason for the impact of the proposal for the "historic compromise": the fact that it offers an approach, at once *positive* and *credible* to a country in crisis, and to a people gripped with uncertainty about tomorrow. As Berlinguer stressed in the same preparatory report: "The country and, above all, the working people must be assured that the efforts they are called upon to make will really serve to achieve a higher level of economic and social organization and not simply to prop up the present system, leaving untouched and even aggravating existing distortions, privileges and injustices. It is therefore clear that things cannot be left up to those forces that have governed the country so far: with the damage they have done, the promises they have betrayed, the episodes of corruption tainting them and the overall degeneration of a power system that has consistently given top priority to individual, patronage and group interests; these forces no longer have the necessary authority and credibility. Indeed, their appeals and sermons run like water off a duck's back. To ensure that the efforts needed today have the support, confidence, and active, conscious participation of the healthiest, hardest-working and most productive part of the population, requires a deep change in political leadership, with the contribution of new forces of proven seriousness, honesty and loyalty to the interests of the people."

II

What lies behind the credibility of the Communist proposal? Essentially two factors. First, there is the weight that the PCI has assumed in national life. It is the only party that has regularly increased its support in every election since 1945, moving gradually from 18.9 percent in the 1946 elections for the Constituent Assembly to 33.4 percent in the regional elections of June 15, 1975, only a short distance behind the 35.3 percent of the Christian Democratic Party, which in 1948 managed to poll a total of 48.5 percent of the electorate. Second, there is the prestige earned by its policies and its efforts

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to achieve collaboration among all the democratic forces—Communists, Socialists and Catholics—giving the PCI the reputation of a force capable, even in an opposition role, of working with the responsibility of a governing party, willing to take on the big problems of national society.

In this period, the Communist Party is undoubtedly living through one of the most important moments of its long history. The growth of its credibility cannot be mechanically traced solely to the loss in credibility of the government parties through their own inefficiency, corruption and patronage. This has obviously been a factor, but its effects would not have been nearly so great if the Communists had not succeeded, over the past 30 years, in progressively breaking down the anti-communism of others. This was accomplished because of the Communists' seriousness, their clean hands, their policy of dialogue and understanding with all the democratic forces, and the proof they have given in those cities where they are the majority that they are capable of providing good government. In short, the Italian Communists have run their party and the local administrations they control as "glass houses" and have contributed actively to a general development of democracy and participation. It is no accident that, after the big advance scored by the PCI in the regional and local elections of June 1975, three parties that had characterized their campaigns by opposition to the Communists—the Christian Democrats, the Social Democrats and the Liberals—were hit by internal crises, leading to replacement of their respective Secretaries. Obviously, the problem is not simply one of men, but of grasping the factors that have caused these parties to lose touch with the reality of the country and the growing desire of broad masses of people, particularly among the young generation, for social progress.

But not even these factors would have been sufficient, if others had not also played a part, beginning with the PCI's good fortune in having among its founders a figure such as Antonio Gramsci, one of the greatest, if not the greatest, Italian political thinker of this century and a man who has left his mark on all Italian culture. From Gramsci, through Togliatti, down to our own days, a school of thought and political action has developed which has succeeded in building a mass party of 1,700,000 members that has been in the forefront not only of the workers' battles, but of all the movements for broader civil rights, for the development of a democratic society.

Admittedly, this development has also known moments of ambiguity, especially in the early cold-war period. These centered around the problem of the diversity of roads to socialism in the period

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of the Cominform, of the condemnation of Yugoslavia, and of Stalin's heavy-handed interventions in the East European "Peoples' Democracies," substantially aimed at imposing the Soviet model from the outside and from above, in contrast with national characteristics and needs. Such ambiguities did not change the inspiration and fundamental orientation of the PCI's policy, but they certainly prevented many democrats from believing that the Italian Communists would continue to follow original and different paths from those taken by the countries of Eastern Europe. The fact that the PCI has for a long time initiated a lively critical debate on these problems has undoubtedly contributed to dispelling these ambiguities, thus clarifying the permanence and consistency of the democratic policy it has followed in Italy.

If one factor has been determinant in the PCI's success, it has, in fact, been the factor of consistency:

—consistency in choosing and pursuing the democratic road, ever since the Party's first postwar Congress in January 1946, when the Communists, firmly rejecting all prospects of the sort unfolding in Greece, indicated as their preference for Italy's future a a democratic republic, "founded on a representative parliamentary system, in which the fundamental rights of citizens, freedom of speech, of conscience, of the press, of religion, of association and expression, of trade union organization, will be guaranteed and defended, in which all forms of political and legal inferiority of women will be suppressed, in which the road will be open to the realization of the right of every citizen to work, leisure, education and social security";

—consistency in working to build mutual understanding, collaboration and unity among the popular masses and the democratic forces;

—consistency in elaboration of an autonomous "Italian road to socialism" and its own conception of socialist society. The goal, as Luigi Longo, general secretary and now Chairman of PCI, put it at the 12th Congress in 1969, is to construct "a non-centralizing, non-bureaucratic socialist society. Such a society would include religious freedom, freedom of culture and the arts and sciences, freedom of information, of expression and the circulation of ideas, together with the presence of a plurality of political parties and social organizations engaged in a free and democratic

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dialectic of positions, even if conflicting, that would make socialism in Italy something qualitatively different from the experiences hitherto known, and fully in line with the traditions and will of our people";

—consistency in asserting and defending its autonomy and independence, on every occasion and on every level, together with its own autonomous judgment on questions concerning other Communist Parties, whether in power or not—from the USSR to China, from Czechoslovakia to Portugal. And consistency in developing a vision of internationalism capable of establishing links with all the forces in the world that are working in this direction along with those in Italy that are particularly active in the Socialist Party and in the Catholic movement, where the teachings of the Church, from the Second Vatican Council to the Encyclical *Popularum Progressio,* have provided a special impetus. It is no accident that at its last Congress (March 1976), the Christian Democratic Party proclaimed an internationalist vision and commitment of its own.

When, in 1976, the ex-President of the Italian Republic and Secretary of the Social Democratic Party, Giuseppe Saragat, states: "I have no doubts about the Communists' credibility as a democratic party";[1] when, also in 1976, the Prime Minister, Aldo Moro, says that "the Communist Party is a great popular force," adding that the fact that the PCI is "deeply rooted in Italian society" helps "to bring great masses of people and workers closer to government, with a certain order and sense of responsibility";[2] when the Vice Chairman of Fiat, Umberto Agnelli, declares: "If the PCI is ready to give its consent to a realistic program, why refuse it? From what position the PCI makes its contribution—whether from the majority or the opposition —is of little importance. For that matter, the official statements of this Party, which says that it accepts the Western logic of the market economy and the pluralistic system, are known to all, and I personally, as an industrialist, have no reason to doubt them. If, then, I look at the facts, at the Party's actual behavior on the local level, I cannot but admit that good administration is guaranteed in those localities where the PCI is in power";[3] when the Italian Commissioner to the European Economic Community, Altiero Spinelli, states that "if Italy wants to remain a democracy, Communist participation in the gov-

[1] *L'Umanita* (Rome), March 18, 1976.
[2] *Il Popolo* (Rome), March 12, 1976.
[3] *Gazzetta del Popolo* (Turin), January 17, 1976.

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ernment of public affairs is necessary, urgent and useful";[4] then it should be clear that, if nothing else, the credibility of the Italian Communists has been established and their democratic consistency is today increasingly hard to contest.

III

The most recent developments in the Italian crisis have provided a difficult test of the seriousness and responsibility of the country's political forces. Since 1947, the PCI has been an opposition party. The opposition it wages is not, however, an a priori opposition. The Party does not aim—as would not have been difficult in these years—at bringing down one government after another, because the Communist Party is aware that this would only lead to paralysis and would discredit our democratic institutions; it has not forgotten the historical experience of the Weimar Republic and the French Fourth Republic. Its opposition is a *positive* opposition, guided by a conception that places national interests before Party interests and considers that a great popular force can succeed only if it works concretely for solutions to the large problems of a national society. It is, in other words, an opposition that avoids a priori counterpositions and instead aims at advancing—in Parliament and in the country—solutions that can at least partially answer the needs of the masses. For these masses cannot be satisfied simply with denunciations of errors in government policy or calls for a mythical "socialism" that will one day miraculously heal all ills.

Admittedly, Italy is today passing through a period of great uncertainty. Earlier this year Enrico Berlinguer pointed out: "On the one hand, in the country and also within the parties, there is a growing awareness that the Communist question can no longer be avoided, that the Italy of today cannot be governed without the PCI; but, on the other hand, there is reluctance or inability to draw from this conclusion all the necessary consequences in every field. From this persistent, but unresolved contradiction, our society is suffering more and more acutely every day." Not that the Communists think they possess any magic wand or miraculous healing powers. But they know that their entrance into the upper spheres of state leadership would mean a substantial change in the nature of government, in the form of participation in power by the entire workers' movement. They do not demand power for themselves: what they propose, for today and for tomorrow, is a democratic leadership of society and the state by a coalition of democratic forces; but they are ready at any moment to

[4] *La Stampa* (Turin), February 15, 1976.

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respect the verdict of the electorate, just as they accepted the political change of course that led to the exclusion of the PCI and the Socialist Party from government in 1947.

To what ends? And in what international context? The ends are dictated by today's problems; namely, to put Italy back on its feet. The Communists are not urging the "historic compromise" with the intention of creating new imbalances and dislocations in Italian society. Indeed, enough of these have been created in the past and have now become intolerable. The purpose of the "historic compromise" is to give this society—undermined by a crisis that is not only cyclical but structural—a new and more just equilibrium. Nor is it the PCI's intention to produce upsets in Italy's international relations. The Party's acceptance of the Atlantic Alliance and Italy's active participation in the building of the European Community is not some sort of tactical move to obtain a passport to power. It derives from an analysis of the international situation based on three observations: first, that Italy and the whole world need to go forward with détente and cooperation, because this policy has no alternatives, and peaceful coexistence is a condition for the gradual solution of the great problems of today's world; second, that one of the things that has made détente possible is the attainment of a military-strategic equilibrium and that further progress can be made in détente only to the extent that it does not produce unilateral disadvantages for one or the other side, but develops in the interest of all; third, that a unilateral withdrawal of Italy from the Atlantic Alliance would alter the strategic equilibrium between the two blocs existing in Europe, undermining one of the essential conditions for détente.

Neither in internal nor in international policy do the Communists make acceptance of their own program a condition for joining a government coalition. A common program will have to be worked out through discussion among all the forces concerned, and, obviously, a coalition can be formed only if there is substantial agreement on such a program. Broad elements of convergence, both in internal and foreign policy, have already emerged in the political debate of these past years and months. For more than 20 years foreign policy was probably the major point of contention among Italian political forces. In those years, the Communists worked hard for a national foreign policy that would be a factor not of division, but of unity and collaboration among the country's major democratic forces, and this in part involved updating and revising their own positions.

Today, there are no substantial disagreements on the major options of Italian foreign policy, although there is certainly considerable

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criticism—and by no means limited to the Communists—of the way in which this foreign policy is being implemented and the passivity that often characterizes it. Basically, what Italy needs in foreign policy is greater commitment to détente, and to the building of Western Europe, all of which is possible within the framework of its alliances. What the Communists are seeking is certainly not some sort of "Mediterraneanization" of Italy, but, on the contrary, its "Europeanization," a process which does not exclude, but rather favors, broader relations with the developing countries. Other moves in this same direction are the PCI's increasingly extensive contacts with the big European Socialist and Social Democratic Parties—in a search for points of convergence and understanding capable of laying the groundwork, in the short run, for a common answer to the great problems of our societies, and in the medium and long run, for a bridging of the history of divisiveness among the parties of the Left.

Obviously, a national foreign policy involves a jealous defense of autonomy in the internal political sphere, by which we mean the right of the Italian people to adopt—within the framework of their Constitution—any and all economic, political and social solutions they deem necessary for the country's progress. And this means rejection of the conception of "limited sovereignty" and of all interference. At the recent Congress of the Christian Democratic Party, Prime Minister Aldo Moro observed that "it is only natural and just to insist on the autonomy of our country, whose internal set-up can only depend on the will of the Italian people." But, he added, "it remains true that there are consequences on the international level, risks at least of isolation, which are important not only in themselves and for the damage they could do to national interests, but also for their possible effects on the delicate equilibrium upon which the peace of the world still rests."

On these points, maximum clarity is undoubtedly necessary. In the first place, as we have already stressed, the Communists do not want to upset the equilibrium, but rather to work to see that the process of détente moves forward concretely in all fields, including that of arms reduction, within a framework of respect for this equilibrium. They are convinced that blocs will continue to exist, until a more effective system of security is found that will permit them to be phased out. To charges that this poses risks of isolation, the Communists point out that it is precisely the lingering crisis in which Italy is foundering that is today isolating her, reducing her international prestige, authority and credibility and undermining national interests. It is extremely difficult to understand why an Italy that remains faithful to her inter-

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national commitments and works seriously to straighten herself out and cope with the problems facing her should be subjected to "risks of isolation." On the contrary, given the danger, always present in integrated communities such as the European Community or in international alliances such as NATO, that a chronic crisis in one partner will be exported to the others, an Italy determined to solve her problems should actually be seen as a factor of stability, not of disruption. This would create the conditions for broader cooperation rather than for Italy's isolation.

On the question of relations between Italy and the United States, the Italian Communists also take a positive stand. They are well aware of the long history and scope of the ties existing between the two countries in all fields, not to mention the added bonds created by the fact that millions of Italians have found a second homeland in the United States. Certainly, they are not uncritical in their friendship with America, just as they are not uncritical in their friendship with anyone else. The PCI is definitely not uncritical in its attitude toward incidents that all Italian democratic forces consider an interference in Italian internal affairs. At the very least, these forces question the "wisdom" of the recent barrage of American "warnings" to Italy. To quote one of the country's major dailies, *La Stampa* of March 21, 1976: "These repeated warnings are already proving counterproductive in achieving their proposed ends [i.e., dissuading the Italians from supporting the PCI]. They are, in fact, hurting those very political forces that in Italy oppose the Communist Party by giving the impression that such forces are, whether they like it or not, 'in the service' of a foreign power."

The editor of *Avanti,* organ of the Italian Socialist Party, states it even more strongly: "We take the liberty of addressing a quiet invitation to the American authorities to . . . ask themselves why communism has advanced in Italy. We ask them just once to stop and analyze the phenomenon of 'Euro-communism,' to evaluate the detriment to America of appearing, in Europe as well, as the gendarmes of 'vested disorder,' the defenders of injustice and corruption, the enemies of the free sovereignty of peoples. . . . The attitude of Italian and European democracy is not one of willful defiance; on the contrary, it trusts in the opening of a dialogue. But the precondition is that the principle of the sovereignty of the free countries not be questioned, that their autonomy of choice be respected in word and in deed. Otherwise, no one has anything to gain."

At the recent Christian Democratic Congress, Luigi Granelli, Under-Secretary for Foreign Affairs, expressed himself in similar terms,

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when he observed that "the PCI's move toward new values includes that of membership in Italy's international alliances including NATO. If, then, we want to be credible toward the PCI, we must have the courage that De Gasperi showed in Paris, when he said that Italy is not a Republic with limited sovereignty and must decide its own future autonomously."

If we were motivated by anti-Americanism, we could, as Italian Communists, derive satisfaction from the polemics that have been bouncing back and forth across the Atlantic for months now. But we are not motivated by anti-Americanism; rather we are doing everything within our power to prevent the friendship between the two countries and two peoples from suffering setbacks.

It is all too evident that the prospects that seem to be opening up for Italy may force many people, on both sides of the Atlantic, to "think the unthinkable." But in history, the moment always comes when what was once unthinkable becomes reality. In Italy, we are in just such a phase, with the end of "old myths" and the birth of "new realities." Understanding this phase and finding the correct political response to it is the task now facing the Italians. And not only the Italians. But one thing must be absolutely clear: "The time has come to recognize how ridiculous and unfounded it is to portray the PCI as some sort of *longa manus* of the policy and interests of other states," as Enrico Berlinguer said in his report in preparation for the Party's last Congress. "We in Italy are the bearers, interpreters and defenders exclusively of the interests and aspirations of the Italian working class, working people and popular masses."

IV

Naturally, the Communists have also had to "think the unthinkable," to come to grips with their own history and rethink old convictions. One of the PCI's top leaders, Giorgio Napolitano, recently stated: "We are well aware of the fact that today we are asserting a conception of the relationship between democracy and socialism that cannot be identified with the one elaborated by Lenin." In a recent joint declaration, the PCI and the Spanish Communists proclaimed that "their conception of a democratic advance to socialism, in peace and freedom, is not a tactical attitude, but a strategic conviction, rising out of an analysis of the experiences of the working-class movement as a whole and of the specific historical conditions of their respective countries in the West European situation." Accompanying this is "the conviction that socialism can only be built in our countries through the development and full implementation of democracy. Un-

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derlying this is full recognition of the value of guaranteeing individual and collective freedoms, the principles of the secular nature of the state and its democratic organization, the plurality of political parties in an atmosphere of free competition, autonomy of the trade unions, religious freedom, freedom of speech, culture, art and science."

In the economic sphere, the joint declaration continues, "a socialist solution must ensure a high level of production through a policy of democratic planning that makes use of the coexistence of various forms of initiative including both public and private management."

A similar declaration was made with the French Communist Party: in socialist society "all the freedoms—which are a product both of the great democratic-bourgeois revolutions and of the great popular struggles of this century, headed by the working class—will have to be guaranteed and developed. This holds true for freedom of thought and expression, for freedom of the press, of assembly, association and demonstration, for the free movement of individuals inside and outside their country, for the inviolability of private life, for religious freedom and total freedom of expression for all currents of thought and every philosophical, cultural and artistic opinion. The French and Italian Communists declare themselves for the plurality of political parties, for the right to active existence of opposition parties, for the free formation of majorities and minorities and the possibility of their alternating democratically, for the secular nature and democratic functioning of the state, and for independence of the judiciary. In the same way, they declare themselves in favor of freedom of activity and autonomy for the trade unions."

These convictions are, we repeat, part of a long-run strategy and not temporary tactics. When we say that they rise out of "an analysis of the experiences of the working class movement as a whole," this is the logical development of what Palmiro Togliatti said in April 1956, commenting on the dissolution of the Cominform: "In practice, the road we are following, and the road the French comrades are following, have few points in common with the one followed by the Parties that have been in power in Eastern Europe for approximately ten years now." Twenty years have passed since then, and in these years the Italian Communists have worked constantly on these problems, deepening and developing their conceptions concerning the autonomy and independence of Communist Parties, an Italian road to socialism and the characteristics that a socialist society must have in Italy and in other similar West European countries. This democratic, pluralistic socialism, Berlinguer said in Moscow at the 25th So-

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viet Party Congress in February 1976, is "the only one possible for Italian society." Commenting on Berlinguer's independent stand in Moscow, which he described as "frank, open, determined and without half measures," Socialist Party Secretary Francesco De Martino stated to the 40th Congress of his party: "We feel that [independence from Moscow] has now become a historical option."

Nevertheless, there are still people in Italy and elsewhere who ask, "Where are the guarantees?" Among those who raise this question in Italy is Ugo La Malfa, former Deputy Prime Minister and now Chairman of the Republican Party, who seems to have found an answer in the fact that "through the historic compromise, the PCI intends to sanction the existence of a pluralistic political society, i.e., the need for agreement with forces that ideologically and politically occupy positions totally different from its own. . . . In other words, through the historic compromise, the Italian Communist Party, recognizing the existence of a pluralistic political society, asserts another element of autonomy in its policy with respect to the monolithic character of the Soviet or para-Soviet societies."[5] Others include such Christian Democratic leaders as former Prime Minister Giulio Andreotti, who seems to seek an answer in the "Italian Communists' option in favor of the European Community." "The Communist problem, like other problems," Andreotti said in his speech to the Christian Democratic Congress, "must be dealt with along the road to Europe. Is so-called Euro-communism a utopia or, worse yet, a tactic and a trap? Is it possible to cheat in a Community of nine European states (and there will soon be more), with 46 associate states in Africa, America and Asia?"[6]

Not only is it not possible to "cheat," but, the Italian Communists have no intention of "cheating" and have never "cheated" in these long decades. On the contrary, they have been a decisive force in defending the Constitution of the Republic and its pluralistic inspiration, when others (including the Christian Democrats themselves, for long periods) sought to emasculate it or put it on ice. In substance, they have played a role in Italian society that in other historical periods would have been proper to liberal parties and forces. When one reflects today on the reasons for the PCI's influence in Italian society, this liberal component must be considered, together with the role that the Communists have played in expanding popular participation in democratic life and in the decision-making processes in those localities where they are already a governing force. This policy and this

[5] *La Voce Repubblicana* (Rome), March 19, 1976.
[6] *Il Popolo* (Rome), March 22, 1976.

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Communist presence have introduced an element into Italian life that is qualitatively new compared to the time when democracy was primarily "delegated" democracy. It has confronted all other political forces with a challenge, because the PCI owes its mass support, last but not least, to the fact that it has succeeded in endowing its own ranks with an intense democratic character—a democratic character not frozen or paralyzed by factional divisions of the sort which all the other Italian parties are now trying to eliminate.

The Italian Communists have built their road piece by piece, through a political and intellectual effort that has involved millions of men in a continual critical analysis of themselves, of others and of "the experiences of the working-class movement as a whole," in the East and in the West, from Chile to Portugal. In the hypothetical case that an attempt was made to "cheat," it is *this* party, built as a function of *this* policy, that such an attempt would have to come to grips with, even before confronting other political forces. Top Italian Communist leaders often state that the PCI "will never open breaches on the Eastern frontier," and they maintain, in polemics with Soviet ideologists, that in present world conditions "to insist on defining internationalism only as *proletarian* does not permit us to link up with all forces, thus multiplying initiative and commitment to the struggle." Such statements are nothing more than reconfirmations of positions that are irrevocable for all Italian Communists and constitute some of the principal reasons for the deep roots the party has established in contemporary Italy.

Here we come to the heart of the matter: the real guarantee against "cheating" lies in the Italian Communists' awareness of the sources of their support and the resultant conviction that any other road, for today and for tomorrow, would be absolute folly, if not a demonstration of insane masochism. The Socialist Pietro Nenni recently said that "the solid link that the Western Communists are forging between communism and democracy is something that goes far back, as Togliatti used to say, and is destined to go far." In Italy, in fact, this link is by now a long-established fact. And it is precisely to this link—and not to any chance combination of historical circumstances—that the PCI owes the position it today occupies in national society. It is to the consistency with which it has followed this line that it owes the growth of its credibility and, hence, its influence. Indeed, the most recent developments on the West European level cannot, we feel, be totally separated from the thinking done by others in connection with the line pursued by the PCI since 1945 (and even earlier) and the results that this line has permitted it to obtain.

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V

Fifty years ago, facing the Fascist Special Tribunal that was to condemn him to die in prison, Antonio Gramsci said, "You will lead Italy to ruin, and it will be up to us Communists to save it." Today, Italy is facing another hurdle in its long, troubled history. "The line we call the historic compromise," Enrico Berlinguer said two years ago, "is intended as the Communist Party's answer to the new crucial test facing the country." Berlinguer later clarified this response. "The historic compromise must not be understood solely as a proposal for a new government or a new majority with the Communists. This is one aspect, and by no means a secondary one, but the policy of the historic compromise is something more than a government formula." It is "something that works even today to promote a method of action and political relationships that, while helping to facilitate the solution of urgent problems, spurs on the parties and all the democratic forces, in the representative institutions and in the country at large, to seek mutual understanding and agreement."

In line with this idea and in the face of a deepening political and economic crisis, the proposal advanced by the PCI in April 1976 called for a political agreement to ensure the normal completion of the legislative term and a solution to some of the most urgent problems. Such an agreement would have permitted all the parties in the constitutional spectrum to tackle these problems through joint effort and shared responsibility, without modifying their respective positions in the majority or in the opposition and without useless government crises. However, this proposal was rejected by the Christian Democratic Party, which saw it as a sort of "waiting room" for the historic compromise. The result has been a dissolution of Parliament and early elections, in a situation that is the most difficult that Italy has had to face in the past 30 years. What happens next is current events.

In the course of this election campaign, the PCI has once again affirmed that what the Communists want is to contribute, together with the other democratic forces, to a process of renewal capable of helping Italy attain a new equilibrium and a new political stability. The PCI is convinced that at least for a number of years—for the time necessary to get the country out of the crisis and start it down a really new road—Italy must have a broad-based coalition government embracing all the democratic, popular parties, including the Communist Party. This proposal, as the Communists themselves are the first to realize, may encounter perplexity and hesitation on the part of others,

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and it certainly involves problems and difficulties. But the greatest risk today lies in not changing, in clinging to the illusion that it is enough to give a new coat of paint to old solutions that have definitely seen their day. This new course can and will be achieved in freedom, democracy and peace, which is a fundamental condition for all progress, and within the framework of respect for Italy's international commitments. Antonio Gramsci wrote in 1919: "The division of mankind cannot last long. Mankind tends toward unification, internal and external; it tends to organize itself in a system of peaceful coexistence that will make reconstruction of the world possible." The problem is immense, but "reconstruction" is the real challenge facing a world that is now approaching the year 2000. On a much smaller scale, the same problem faces Italy: How is the country to pull out of its crisis and carry out the far-reaching renewal that is necessary?

In the final analysis, this is the essence of the "Communist question." And this question is an inseparable part of the Italian reality. The adversaries of the "historic compromise" in the West—and in Italy, first and foremost—still have to explain why an Italy that achieves a new democratic stability and overcomes its imbalances, even if she does so with the indispensable contribution of the Communists, is less desirable than the Italy of today. It is our conviction that Western Europe, and the West in general, would have nothing to lose and everything to gain. And the first to gain would be the future of democracy in Italy.

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ITALY'S MALAISE

By Guido Carli

ITALY is in the throes of that most difficult of predicaments, a state of transition. Transition to a more open and egalitarian society; transition to new economic and financial arrangements; transition to a more efficient administrative machinery; transition to greater participation in decisions concerning the place of work; transition to a more important role for women; transition to an expanded influence for parties of the Left. The transition is made all the more difficult by the fact that the hectic, unbalanced economic growth of the sixties, which made tolerable the (lower) pace of social change, has given way to the twin evils of stagnation and inflation. Attention abroad has been largely focused on the drift toward impotence of the government, the crumbling of established authority, the current economic and financial crisis, the turbulent division of society and the growing ungovernability of the country, and above all on the advance of a party calling itself communist, apparently the only one capable of filling the void, since the balance between the parties of the Left in Italy is different from that in other Western European countries as a strong Socialist party does not exist. But the wheels of history are turning fast not only in the political sphere but also in the economic field, and transformations in the latter are both cause and effect of the socio-political changes of the past decade.

In the seventies the structural weaknesses of the economy have been accentuated and the risk of social and political regression has increased. Just as the democratic surge, the assertion of egalitarianism and the onslaught of demands on the government are not idiosyncrasies of Italy but are a familiar phenomenon throughout Western democracies, similarly the dysfunctions of its economy have many parallels in other industrialized nations. The postwar period has witnessed everywhere a major rise in governmental functions and an equally large decline in governmental authority and in governmental capacity to meet the public's rising expectations. If Italy's malaise is deeper than elsewhere, it is because of the vulnerability of its economic structure and the fragility of its democracy; and perhaps most of all, to a Latin lack of interest in minor or medium-sized reforms

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and routine maintenance of the bureaucratic machine. All or nothing is the cry of the reformists, and usually that means nothing. There is a helpless tolerance of certain abuses which is more Asian than European, alongside one of the most efficient and modern private sectors.

Contrary to standard Marxist analysis, the battle is no longer between workers and the owners of the means of production—for the simple reason that since the thirties the Italian state has controlled most large enterprises. Railroads, public utilities, steel-making, the national airline, banks, computers, machinery, shipbuilding, textiles and many other sectors are controlled by the state through the well-known IRI formula and its latter-day variants. In recent years, many obsolete industries have been taken over by the state, further extending its hold on the economy: over 50 percent of GNP is now accounted for by the state. Employees of these industries and many of those of the governmental bureaucracy enjoy much better incomes and job security than those of other sectors.

To attempt to dismantle the Italian welfare state means to incur the wrath of the millions of people who benefit directly or indirectly from the public largesse and who are quite unwilling to pay the cost of the social and economic changes required to bring Italy up to par with other Western European nations. In a neo-corporatist state, disparities in income and influence and the size of the unproductive, parasitic areas cannot be reduced to tolerable levels only by enlarging the government coalition, as proposed by the Italian communists with their "historic compromise" offer. No one possesses a magic wand which can solve Italy's manifold problems without going through a drawn-out, profound transformation of the economy, of the Levantine administrative machinery, and of the unions' behavior.

II

Over the last 10–15 years there has been a marked tendency in the industrialized economies for labor's share of national income to rise steeply, for the return on capital to fall, for the propensity to invest to diminish and for financial intermediation to increase as industries have been unable to raise the necessary risk capital. These trends have been especially noticeable in Italy since the "hot autumn" of 1969, when a massive redistribution of income began to take place. In the six years since, the share of GNP accruing to dependent labor has leaped from 57 to 73 percent. In 1973–75 the terms of trade worsened considerably because of the sharp rise in the price of the raw materials indispensable to a "transformation economy" such as

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Italy's, and labor productivity fell as a result of the economic recession. Yet wage rates in real terms grew by 15 percent. Redistributing income to the less well-off has had the consequence of increasing consumption and correspondingly reducing savings. Very few enterprises, especially in the unwieldy state sector, have avoided incurring heavy losses. The low profitability of the manufacturing sector has adversely affected the country's anemic stock market—which is currently stagnating on the levels of the fifties—and made it extremely difficult to raise risk capital. Enterprises have thus had to rely increasingly on the bond market and on their banks to finance investments and to cover their losses. In many ways this resembles the Japanese situation, with the important difference that the Italian commercial banking system is ill-suited by tradition and temperament to take an active part in the modernization of obsolete industrial sectors. This is nowhere more true than in its relations with state-owned enterprises, whose ultimate financial solvency is assured by the state itself. Running few risks on such loans, banks are obviously prone to favor them against loans to private companies, especially the smaller ones. And yet it is precisely the private sector which is the more dynamic and productive and which is well geared to supplying foreign markets with the goods demanded.

One important factor behind labor's capacity to augment real wages at a time of roaring inflation has been the increasing protection afforded by the "indexation" of wages to the cost of living. As much as 70 percent of the increases in the consumer price index are currently offset by the indexation clauses; on the basis of the agreement reached last year, the degree of protection against inflation is due to rise to some 85–90 percent by the end of 1977. Pensions too have been linked to the consumer price index and in several sectors also to the growth of real GNP. The widespread and growing indexation of an open economy such as Italy's may help stabilize aggregate demand from shocks of a monetary nature. But when the shocks are real—for example, a worsening of the terms of trade—then indexation is positively harmful in that it hampers the working of the adjustment process. Not only will adjustment be delayed but the fluctuations of aggregate demand will be greater the greater the degree of indexation.

There are three further drawbacks to Italy's indexation scheme. First, it tends to deprive the government of the use of indirect taxes as a tool for the management of demand, since such taxes ignite powerful inflationary pressures; this is especially worrisome in a country such as Italy which has traditionally relied mainly on indirect

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taxes to raise revenue. But the second drawback is much more important. In an economy which depends heavily on foreign trade, a fall in the external value of the national currency has immediate repercussions on prices and costs. Indexation of wages magnifies these effects and leads to a vicious circle typical of many Latin American countries, in which the fall in exchange rate leads quickly to large increases in prices and to another devaluation. This phenomenon has been particularly evident in the first part of 1976, when the lira's plunge almost immediately doubled the annual rate of inflation to over 20 percent. Finally, by preventing the needed adjustment of real incomes and the return to profitability of the manufacturing sector, indexation tends to exacerbate Italy's unemployment problem.

Currently Italy's active population is, at around 33 percent, some 5 to 10 percentage points below that of other industrialized countries. It seems unlikely that this relationship will change and that the high rate of inflation will be effectively brought down unless some sort of incomes policy is introduced. The British government has been quite successful in winning the labor unions to a more moderate wage policy which has sharply reduced inflationary pressures and paved the way to the restructuring of the British economy. Italy's social organization is also such as to make a permanent incomes policy indispensable not only to contain inflationary pressure but, more importantly, as a fundamental instrument of social and political management. In most Western societies direct taxation is the tool normally used to reduce income disparities, but Italy's collection machinery is rudimentary and corrupt. A Healey-like bargain between more moderate wage claims and lower direct taxes is ruled out by the relatively small weight such taxes have in total revenues and by the hugeness of the Treasury deficit. Add to this that in late 1975 the government suddenly cut direct taxes by nearly two billion dollars annually—to reduce the increase in the progressivity of the tax schedule caused by inflation during the preceding three or four years—without, incredibly enough, any political or economic quid pro quo.

The prospects for an incomes policy in Italy hinge on many factors, two of which stand out among the rest. In the first place there is the issue of income distribution. Incomes and job security differ widely between privately owned and state-owned companies. The bargaining power of the latter tends to be lower and wage increases correspondingly higher. The Workers' Statute of 1969 and several decisions rendered since by the courts make it increasingly difficult for companies to fire or lay off their work force. Add to this the fact that state-run companies are traditionally reluctant to shed surplus labor

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for obvious political reasons. This has encouraged labor unions to press for higher wages and better working conditions, undeterred by the fear of losing jobs since enterprises near bankruptcy are normally salvaged by one or the other state holding company.

Some unions have wielded strength more effectively than others and obtained privileged positions. For example, the labor force of the British-controlled Innocenti car manufacturer was contractually required to work less than five hours a day; that of the Italian banking system is the best paid in Europe, although Italy's per-capita GNP is one-half to two-thirds that of other industrialized countries. Many such disparities have been financed by raiding the Treasury.

In the last five years public expenditure has more than doubled with no noticeable improvement in the quantity or quality of services, more and more funds going to replenish the coffers of the countless public bodies that dot the Italian landscape. The enormous rise in expenditure during the seventies—to levels relative to GNP similar to those prevailing in other industrial nations—has not been met by an equal growth in revenues. The Treasury deficit has tended to grow without constraints as most political parties suffered from Keynesian delusions as to the cures needed for Italy's depressed economy. In 1975 the Treasury deficit was 12.5 percent of GNP and the expectations for 1976–77 are of a similar order of magnitude. The major unions and most political parties pay lip service to the need to cut the deficit. But since most public expenditure is for wages, pensions or transfers to public bodies, its reduction is an almost impossible task. The defense of such privileges is anyway growingly entrusted to small "autonomous" unions (from the three major ones) which have at heart only the interests of their narrow membership. It would take a major show of political power to break up these entrenched fiefs, and there has as yet been no evidence that any party is really willing to go beyond verbal expressions of dissatisfaction.

The battle over income distribution is thus waged largely between the labor force operating in a market economy and one largely protected from its effects and traditional "medicine" thanks to generous government handouts. Although these developments have been with us for some time, it is only recently that the Left has taken them into account in formulating its policies. There is a widespread feeling that the public sector should grow much more slowly than in the past so as to reduce the inroads on the productive private sector. Yet the calls for greater government intervention in the economy and larger social expenditures continue in a period of recession, as does the drift toward more takeovers by the state of bankrupt enterprises in order

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to "save jobs." To reverse these trends will require a major political effort, though it is important that some of the shibboleths of the past are finally coming under scrutiny. There is also a growing recognition of the need to moderate wage demands generally so as to restore companies' profitability. The many contracts negotiated in the first part of 1976 implicitly allow for some erosion of real wages over the period ahead in which inflation is expected to be especially strong.

The fear of "de-industrializing" the Italian economy has led to some welcome changes in attitude and behavior, but it is unlikely to lead to more important ones, since the parties of the Left and the unions want to participate in the formulation and implementation of the new policies required to redress the present imbalances. This is the second important factor on which Italy's economic and political prospects depend for the remainder of the seventies and beyond. The feeling that fairness does not seem to have determined the distribution of income and of power leads large sectors of Italian society to refuse a "social contract" which is not managed by their own representatives, a situation not dissimilar from that of the United Kingdom. The tendency of the coalitions that have governed Italy in the postwar period has been to resort to incrementalism rather than planning, satisfying demands in an incoherent, piecemeal fashion. The structural problems of the country—the underdevelopment of the Mezzogiorno, the low proportion of the active population, the maldistribution of income, the abysmal quality of public services—have thus been left largely untouched, worsening from year to year even in the midst of rising well-being for large sectors of the population. Workers at the bottom of the barrel and the large numbers of unemployed—which constitute a "lumpenproletariat" ever more estranged from society—thus believe, not unjustly, that there has to be a change in the political direction of the country for their plight to be redressed, and they are unwilling to entrust the necessary restructuring of the economy to those who have directed it for a generation and who have been found wanting.

The struggle over the distribution of income has produced in Italy, as in many other countries, a sharp upward shift of the Phillips Curve, i.e., a much higher rate of unemployment is now needed to obtain an acceptable rate of inflation. Indeed, the major recession of 1975 still left Italy with an inflation rate higher than it had experienced for most of the postwar period. Yet more than ever a high rate of unemployment is now political dynamite especially in societies racked by internal dissension. Two-digit inflation exerts a powerful influence on the distribution of income, favoring those groups which

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have greater market and political strength, further exacerbating social problems. And it also alienates from the government large sectors of the middle class, its political mainstay, who see their savings, a large part of which are invested in bonds and other fixed-value assets, evaporate.

III

Beginning in 1972, pressure on resources spilled over in the external accounts, generating a massive deficit. Having comfortable reserves and being virtually debt free, the government opted to finance the payments gap through huge borrowing abroad rather than to cut back domestic demand. Shortly afterwards an already difficult situation was made virtually unmanageable by the abrupt quintupling of oil prices. Except for Japan, Italy is the only industrialized nation which depends on oil for some three-fourths of its energy, and the higher oil prices entailed additional import costs of nearly $6 billion, some four percent of GNP.

The balance-of-payments constraint, coupled with strong inflationary pressures, has forced the authorities to pursue a deflationary policy for the past two years, with the result that industrial production in the spring of 1976 is at the level of that of 1972. Initially there was a turnaround in the external accounts and a major slowdown in the rate of inflation. But the high import propensity of the Italian economy made for a delicate situation in which attempts to reflate aggregate demand would quickly suck in imports and cause new deficits. This is precisely what happened in the autumn of 1975. The expansionary stance of monetary policy had to be quickly reversed as the balance of payments worsened and a speculative run on the lira developed. With few foreign exchange reserves available (ample gold holdings being virtually unusable) and little international credit forthcoming after having borrowed some $13 billion in 1972–75, the lira plummeted, forcing the authorities first to introduce draconian punishments for the illegal export of capital, and then a 50 percent, three-month, non-interest-bearing deposit on virtually all purchases of foreign exchange. While previously all shades of the political spectrum were united in support of a policy of borrowing abroad to finance a higher standard of living than would otherwise have been possible, in 1976 there has been a growing awareness that such a policy is no longer viable. Not only were Italy's partners increasingly reluctant—especially with elections in the offing in the United States and Germany—to provide more funds, but it was recognized that internal adjustment could no longer be postponed.

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Italy's balance-of-payments predicament is partly of its own making and partly the result of the attitudes which have prevailed over the past three years as to the mode of financing oil deficits. Since for oil-importing countries as a group the oil deficit on current account was matched by a corresponding surplus on capital account, the United States pressed for market financing of oil imports rather than through multilateral mechanisms such as the oil facility of the International Monetary Fund. But financial laissez-faire has not worked out as well as its proponents hoped. Although world financial markets did function initially along the line of a Keynes-like clearing union between surplus and deficit countries, this role proved to be unsustainable. There are technical limits to the volume of international financial intermediation which banks can safely manage. When the foreign assets and liabilities of large U.S. banks are some 50 percent of their total assets and liabilities, it would seem sound banking to become increasingly prudent in extending loans abroad.

Although Italy's 1975 current account deficit was, at around half a billion dollars but a fraction of its 1974 deficit, and its foreign debt/export ratio was well below that of many other countries, Italy was unable to tap capital markets and it has had to rely on the dwindling resources available to it from the IMF and the European Economic Community. Especially worrisome has been the plight of less-developed nations caught between the rise in oil prices and the fall in their exports because of the world recession. Not surprisingly, in late 1974 the United States proposed the creation of a $25-billion OECD safety net, yet to be ratified by prospective members. It has also suggested a host of initiatives to help the poorer members of the international community, many of which are still on the drawing table. The ideas which have come into being—a liberalization of the rules governing loans by the IMF's compensatory financing facility, sales of IMF gold and greater access to the Fund's ordinary resources—amount in practice to less than $3 billion of aid to LDCs in 1976, or about a tenth of their prospective overall current account deficit.

World financial markets, and especially U.S.-based banks and their offshoots abroad, will thus continue to play a major role in financing payments imbalances at a time when there are growing doubts as to their capacity to do so. The enormous weight thrust on the U.S. banking system is also beginning to be questioned by the country's political leaders, rightly worried about the reactions abroad to the growing clout of American big banks, whose lending decisions no longer simply affect the success of projects but, increasingly, the financial viability of whole nations. A fundamental rethinking of

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how to deal with the great disequilibria of the international monetary system remains a top priority, the Jamaica Accord having barely scratched the surface of the problem.

If the extent of cooperation among the industrialized nations during the past two or three years has been inadequate, that within the EEC has been especially disappointing. The economies of the Nine have drawn further away from each other when greater harmonization of policies would have been required. Inflation rates between the stronger and the weaker partners have been as much as 20 percentage points apart. While some of the Nine have continued to enjoy huge current account surpluses, others have had deficits they were hard put to finance. In such circumstances, no one still seriously thinks an Economic and Monetary Union is anywhere near the horizon, the main goal now being to hold the ramshackle structure together somehow. The Community has shown itself unable to deal with the world's economic crisis and with that of the member most seriously affected—Italy. The Community budget—three-fourths of which goes for the Nine's only joint policy, the Common Agricultural Policy—is, and will remain for the foreseeable future, well below one percent of the total GNP of the EEC countries. The medium-term financing facilities of the Nine, never large to start with, have been virtually exhausted by loans to Italy and to Ireland, and it is most unlikely that they will soon be enlarged to any considerable degree. Germany's $2 billion gold-guaranteed loan is also not easily repeatable in today's circumstances.

IV

The apparent conclusion is that Italy will have to fend largely for itself in the period ahead. To be sure, some further balance-of-payments assistance may yet be forthcoming from the Community, and the Financial Support Fund of the OECD may finally become operational and capable of making large loans. Of greater importance is that the economies of Italy's main trading partners are once again developing rapidly and this will allow Italy's exports to grow apace. With foreign debts now close to $15 billion, it is clear that Italy must not increase further its crushing debt-service load.

Whatever the composition of the governing coalition, Italy's administrative, industrial, balance-of-payments and social problems must be faced squarely with a sense of purpose and direction all too often lacking in the past. The size of the public area must be contained and made cost effective. The major state-owned holdings need to operate within the confines of an economic and financial

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framework determined by the government. Recognizing that the center of power has gradually shifted from the State to the public enterprises, the communists rightly want to reverse the trend. But such is the concentration of interests and influence which state-owned enterprises have managed to capture over the years that restoring the original balance between such firms and the State will be no easy task. Even more difficult will be the job of making such holdings the driving industrial force they were only ten years ago—instead of today's patronage-ridden salvage agencies for bankrupt firms.

This problem is closely linked with the need to make the State's ineffectual bureaucratic machinery function properly. At present all of Parkinson's laws are thoroughly observed by an inflated and mismanaged bureaucracy, a remnant of Italy's preindustrial past. Contrary to a widespread opinion, it is not so much a question of spending more money—since the level of public expenditure is already quite high—but of reducing the plethoric administration to appropriate levels, of introducing modern management techniques and of obliging civil servants to put in an eight-hour day (today it is often half that, a legacy of wartime work schedules). All parties agree that the administrative crisis has to be solved if other bottlenecks are to be alleviated. But there is little doubt that the reform of bureaucracy, entrusted to a minister without portfolio for 30 do-nothing years, will require enormous political will and imagination to change the strong corporative attitudes of the civil servants involved.

The third major problem, that of modernizing Italy's obsolescent industrial base, is also a long-term endeavor. Research has been neglected for years, investment has been inadequate and poor labor relations have caused plants to be used well below capacity. More generally, Italy's industrial structure will be under increasing pressure in the years ahead from the less-developed world, which is moving into the labor-intensive sectors such as shoes, textiles and simple engineering that have long been the backbone of the Italian economy. Improved labor relations are of course indispensable but so is greater investment—yet no one knows where the required funds are to come from. As Henry Wallich has recently put it:

> It is useless to argue that if internal cash flow is inadequate, and if the stock market is not receptive to equity issues, business should just continue to borrow. This advice is like Queen Marie Antoinette's "Let them eat cake." Where there is not enough profit, there will be no equity financing, and where there is not enough equity, there will not be much debt money available. An adequate flow of profits is the basis for debt financing, equity financing, and, of course, internal financing.

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The Italian Communist Party seems to have understood this point and has recently come out in favor of revitalizing the stock market, of striking a proper balance between equity and debt capital, and of direct borrowing on the markets so as to reduce today's enormous financial intermediation. It remains to be seen whether the labor unions will in practice be willing to countenance an increase in profits' share of income. But without a more favorable treatment of investment and investors it is unlikely that Italy's outmoded industrial structure will receive the necessary injection of new capital and entrepreneurs. Such policies will also help to make the Italian economy less import-sensitive and to relax the balance-of-payments constraint.

To conclude, Italy's political, social, administrative and economic crises are interwined in a veritable Gordian knot whose unraveling will require much dedication and much time and a broader political consensus. To believe otherwise is to engage in fantasy politics.

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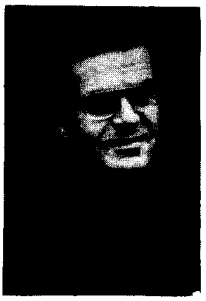
IMPROPER PAYMENTS ABROAD: PERSPECTIVES AND PROPOSALS

By Theodore C. Sorensen



LIKE motherhood and apple pie (zero population growth? food additives?), corporate bribery abroad is not the simple, safe issue it seems at first blush. Sharp division and delay have characterized its consideration by the U.S. Securities and Exchange Commission, Department of Justice and Internal Revenue Service, and by several Committees of the U.S. Congress, the Organization for Economic Cooperation and Development (OECD), and the International Chamber of Commerce. In the United States, a Presidential Cabinet-level Task Force—and in the United Nations, the Committee on Transnational Corporations—have been asked to untangle the problem; but no solution is yet agreed upon.

The practice of exporters and investors offering special inducements to host country officials is at least as old as Marco Polo. But in the United States a post-Watergate climate of pitiless exposure for all suspect practices connected with government has intensified both the investigations of these payments and the oversimplified publicity given to them. Indeed the seeds of the present furor were sown in Watergate. When the Special Prosecutor traced some of the "cover-up" financing to unreported corporate campaign contributions, often transmitted through foreign "slush funds," the SEC initiated a major check on all undisclosed payments to governments and politicians, both domestic and foreign, by the publicly owned companies subject to its jurisdiction.

As a result, U.S. corporate officials have engaged in the most painful rush to public "voluntary" confession since China's Cultural Revolution. Scores of U.S.-based companies have been investigated by one or more arms of the U.S. executive branch, legislative branch, and news media—or by their own directors. Many foreign officials of varying prominence have been forced to resign, deny, or both. The going rate for bribery has reportedly fallen in some countries as fear of disclosure increases, and risen in others as officials discover the full potential of their position. Debates between businessmen asserting

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that only they live in the "real world" ("Of course, I'm against bribery, but . . . .") and bureaucrats asserting that only they are without sin ("No payment of any kind or size for any reason should escape . . . .") have thus far produced more heat than light.

It is to be hoped that a calmer, more long-range perspective can soon prevail. Otherwise, genuinely legitimate business practices will be inhibited by an atmosphere of fear and suspicion, generated by sweeping and hasty reactions, while those truly intent on corruption will merely wait for the emotional storm to pass.

II

Clearly, our understanding of the problem is not enhanced by the tendency in some quarters to place all the blame on those few U.S. corporations which have received the most publicity. Those engaged in the sale of arms, aircraft, oil and pharmaceuticals—all highly government-oriented businesses—may have been in the forefront; but nearly all other kinds of business have been engaging in these practices as well: privately held corporations as well as publicly owned; small as well as large; strong as well as weak; producers of civilian goods as well as of military hardware; those who buy or invest as well as those who sell; and, most importantly, companies which are based abroad as well as companies based here in the United States.

Moreover, our country has no monopoly on the resulting stain. Contrary to common assertion, nor does the Third World. Bribe recipients have served in every kind of government on virtually every continent: anti-U.S. administrations and political parties as well as pro-U.S.; democracies as well as dictatorships; communist as well as non-communist governments; and rich industrialized nations as well as poor and underdeveloped nations. Nor is the blame confined to governments and business—members of the accounting and legal professions have played a role as well.

The picture has been further distorted by an outpouring of self-serving, self-righteous hypocrisy on both sides. Among the biggest hypocrites have been the following:

—those foreign governments which since time immemorial have closed their eyes and held out their hands, but which now denounce the United States for introducing corruption to their shores;

—those U.S. politicians who professed ignorance of the illegality of the corporate campaign contributions they received (or knew others received) in cash in sealed envelopes behind a barn or men's room door, but who now insist that various company ex-

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ecutives be prosecuted because they should have known of their subordinates' improper activities abroad;

—those agencies of the U.S. government which long knew of and even approved of barely concealed payoffs by companies engaged in favored overseas sales and investments, but which now wring their hands at the unbelievable shame of it all; and

—those U.S. and foreign newspaper commentators who long winked at free junkets and passes for newsmen, even a little extra income doing public relations for the organizations they were covering, but who now condemn the ethical standards of the business community.

Nor have those issuing sweeping condemnations always noted certain valid distinctions. Not every payment to a foreign government employee is a bribe. Nor is every corporate political contribution abroad improper. Not every foreign consultant or sales agent is corrupt or retained to perform some improper function.

Political contributions paid in cash or in secret to foreign candidates or parties are rightfully suspect. But properly recorded corporate political contributions, with no quid pro quo, are legal in many if not most of the states of the United States; and the new Campaign Finance Reform Law, passed in the very wake of Watergate, permitted corporate-sponsored political activity in our federal elections. It is thus unfair and illogical to attack any and all participation by U.S. corporations or their subsidiaries in the political campaigns of other countries which also permit it by law.

Similarly, payments to a foreign consultant, agent, lawyer or marketer, if made in cash or not fully reported or if wholly out of proportion to his services, most likely deserve condemnation. But properly recorded payments, of an amount appropriate under the circumstances, to a qualified and responsible professional for his performance of legitimate and necessary services, may well be perfectly justifiable. To be sure, such individuals may be making the most of their personal, political, business or family ties with key government officials—a phenomenon not unfamiliar in our own country. But they also know the local language, procedures, personnel, regulations, press and sources of supplies and information. They can provide the visiting businesssman with a local headquarters, communications and a means of scheduling and coordinating appointments, as well as valuable advice on strategy and presentation. Local government officials, for perfectly legitimate reasons including their sense

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of uneasiness in dealing with foreigners, may prefer or insist upon working with a compatriot they know. The payment of a large commission to an agent is no more clear evidence of illegality than is payment of a large commission to an American real estate agent on the sale of an expensive home.

Not even all payments made to foreign government officials should be judged alike. Although U.S. statutes and judicial interpretations vary, the legal essence of *bribery* is a payment voluntarily offered for the purpose of inducing a public official to do or omit to do something in violation of his lawful duty, or to exercise his official discretion in favor of the payor's request for a contract, concession or privilege on some basis other than the merits. Many forms of payment now under attack do not constitute "bribery" under this definition.

For example, a certain amount of scoffing, much of it undoubtedly justified, has greeted the claims by some business executives that their payments to foreign officials were the result of extortion on the part of those officials, not bribery. But the courts do recognize the distinction between those payments which are voluntarily offered by someone who seeks an unlawful advantage and those which are extracted under genuine duress and coercion from an innocent victim seeking only the treatment to which he is lawfully entitled. A company which can demonstrate that it was truly confronted with an unmistakable choice between paying a corrupt foreign official, or seeing its entire investment in that country expropriated, is not paying a "bribe." (A recent U.S. Federal Court of Appeals decision reached a similar conclusion with respect to a hapless accountant indicted for having made payments to a group of threatening IRS agents.)

Nor does the above definition of bribery cover those payments, usually smaller, made by businessmen in a country where they are not prohibited, to facilitate, expedite or express appreciation for the normal, lawful performance of ministerial or procedural duties by a low-ranking government employee. "Grease" payments which help persuade the bureaucrat or functionary to do his job and continue the lawful flow of paper or goods should not be commended; but neither should they be confused with bribing that individual *not* to do his job.

Finally, there is a distinction not always easily determined, between a bribe and a relatively small sum of cash or other gift or service offered to an official by way of common courtesy or social amenity, a present put forward and accepted on the basis of amicable personal relations unconnected with the performance of his duty. Some of these payments are ethically questionable and of doubtful motivation as well; but there is a legal difference, however subtle, between the $20

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bill you hand your local policeman on Christmas Eve and the $20 bill you hand him when he stops you for speeding (a difference recognized by a recent New Jersey Supreme Court decision involving a Christmas gift of cash from a builder to a municipal building inspector).

It is not easy, of course, to determine which foreign corporate political contributions, agents' fees, gifts, "grease" payments, and alleged extortion are in reality nothing more than indirect or camouflaged bribes or kickbacks. U.S. federal and state statutes frequently and justifiably prohibit or penalize these other forms of payment to public officials as well as bribes; and gray areas of interpretation will always remain. The size, form and timing of the payment, the adequacy of its disclosure, and other facts must bear on the conclusion in a doubtful case. Even then there will be countless situations in which a fair-minded investigator or judge will be hard-put to determine whether a particular payment or practice is a legitimate and permissible business activity or a means of improper influence:

Example 1. The best lawyer in a foreign town is the London-educated son of the Minister of Commerce. Should he be prevented from accepting clients who need permits from the Ministry? Should a U.S. corporation be prevented from retaining him? Would it make any difference if he were a consultant or agent instead of a lawyer? The opportunities for abuse here are undeniable but not inevitable.

Example 2. A U.S. corporation is asked by the Provincial Governor to contribute to the local Health and Welfare Fund, his favorite charity. Is this the obligation of a public-spirited company or an opportunity for covert graft?

Example 3. A U.S. corporation, already doing substantial business in a foreign country, wishes to invest as well in one of its local suppliers. The Prime Minister is the latter's principal stockholder. Would it make any difference if it were another U.S. company in which they would be investors together?

Example 4. A U.S. corporation's valuable inventory abroad is stored in a remote warehouse. The nearest police are willing to act as after-hours guards if they are paid by the corporation for their overtime services. Must a less effective and more expensive alternative be found?

Example 5. A U.S. corporation wishes to form a joint venture with a local firm owned by a member of the ruling family (not unusual or considered unethical in small countries with small elites). But see Example 1.

Example 6. A U.S. corporation, seeking to locate its plant in an impoverished land, invites the impoverished Minister of Environ-

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mental Affairs to fly to the United States at its expense for a tour of its domestic installations, reportedly to demonstrate that its proposed plant will not pollute the local air and water. At what point does its hospitality become excessive; and should this expensive trip be more permissible than contributing the cash equivalent thereof?

Example 7. A U.S. corporation is informed that the government permit for which it was bidding has already been issued to a local corporation of unknown ownership which is willing to sell it to the U.S. bidder at the bid price. If no extra payment is thus involved, does the additional step render the transaction improper?

Reasonable men and even angels will differ on the answers to these and similar questions. At the very least such distinctions should make us less sweeping in our judgments and less confident of our solutions.

III

None of this, however, alters the basic parameters of the real problem:

It is illegal for a U.S. corporation to deduct as an ordinary business expense on its U.S. income tax return any bribes, payoffs, kickbacks or other improper payments to foreign government officials, whatever the label or justification, or any political contributions, whether lawful or not; for any corporation subject to the jurisdiction of the U.S. Securities Acts to fail to include and to describe accurately all such payments (assuming they are material to the company's finances or materially indicative of its management's integrity[1]) in its various statements and periodic reports to the SEC and shareholders required by those Acts; and for any such corporation to finance these payments through secret slush funds or phony offshore corporate entities outside the normal system of financial accountability prescribed by those Acts. Neither bribery of a foreign official outside the United States nor violation of a foreign law, however, appears to violate any U.S. law.

It is unethical for a corporation to pay bribes or kickbacks to foreign officials to induce them to violate their duty—a practice subversive of sound government, sound business and sound relations between the two, no matter how deeply entrenched it may have become in the host country; a costly, wasteful interference with the free competitive market system; and a cynical, shabby technique of getting business which usually rewards the richest, most reckless and ruthless while passing on the cost to those who can afford it least.

[1] The appropriate limits of "materiality," if any, under the Securities Acts in general and in cases of improper foreign payments in particular are being hotly debated as this goes to press and are beyond the scope of the article.

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It is unbusinesslike for a corporation to pay bribes and kickbacks, regardless of how routine a practice it may appear to be in the host country and regardless of competitive pressures. This conclusion, it should be acknowledged, is far from unanimous in the business community. (The legend persists that the Harvard Business School student who questioned the ethics of this practice was directed by his professor to enroll in the Harvard Divinity School.) Nevertheless, a large number of U.S. corporations successfully operating overseas have constantly faced and consistently resisted the pressures and temptations to make payments. Those not resisting appear in many cases to have been those too lazy to compete in honest salesmanship or too inefficient to compete on price, quality and service.

Some corporate executives have undoubtedly achieved substantial gains in the short run by these methods; some have obtained only marginal business; and some will never know if their payments were necessary or helpful or even reached the intended official's pocket. But all who paid thereby established their companies as easy marks for more demands and blackmail. All were immediately courting trouble if they reported these payments and more trouble if they did not. All were exposing their corporations and themselves to the possibility of stockholder suits, legal action by the U.S. government, the possible disclosure of proprietary information of value to their competitors as a consequence, and retaliation by the host country ranging from the cancellation of orders to the nationalization of assets. Moreover, just as a handful of dishonest door-to-door peddlers can turn an entire town against home solicitation, so the conduct of these corporations—at a time when the business community in general and multinational corporations in particular have been seeking to ward off unreasonable restrictions and suspicions—may have done a grave disservice to all who trade abroad. Surely, of all the hypocrites heard on this issue mentioned earlier, the greatest of all are those business executives who made such payments, whose corporations are now as a result in deep difficulty, but who insist they did it "for the good of the company."

This is not to deny the fact that, in far too many countries for far too many years, illicit inducements have been an accepted and customary way of doing business with the government, usually through agents whom virtually every visiting businessman is expected to retain. In still other countries, such payments, if not essential, are widely tolerated and expected.

But what is customary is not thereby ethical or even inevitable. In more than one American city widespread corruption in the police

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department, long thought too deeply entrenched to be uprooted, has been effectively exposed and curbed. The fact that many U.S. companies have successfully avoided these activities in the very countries where it was most customary, and that others have given up business opportunities in those countries and moved elsewhere as a matter of sound business judgment, undermines the payor's usual justification that he had no alternative, that "everyone does it," and that if he didn't do it someone else would (the same excuse offered by heroin pushers). Moreover, the fact that the typical local official who takes a bribe wants it kept secret, fearing punishment in his own country if his corruption becomes known, casts doubt upon any payor's defense that he was merely playing according to "the rules of the game."

IV

All this is by way of background for a consideration of U.S. national interests in the current situation. Without a clear understanding of the scope and nature of the problem and its implications for American business, neither the desirability nor the feasibility of a workable solution can be accurately assessed.

This is particularly true in light of the presently ambivalent attitude of the federal government. While the SEC, Department of Justice and Congress rail against improper payments abroad, more mixed signals have emanated from elsewhere in the executive branch.

American Embassies around the world have long known of these practices but voiced no protests to host governments and offered no protection to honest American businessmen. Those U.S. exporters who thought they were serving their country's foreign policy interests by making under-the-table payments to friendly foreign officials and political parties were never told otherwise. Occasionally State Department officials have even offered guidance on the names and standard fees of those agents with the best connections.

The complicity of the Department of Defense in these practices appears even greater. In quadrupling over the last decade the sale of U.S. arms abroad, the Department approved contracts financed in whole or in part by military assistance funds without too close an examination of agents' fees and other contract terms, and it undertook to "educate" contractors on the necessity and implications of such fees. These sales helped maintain production capacity in this country which the Pentagon regarded as vital, helped achieve economies of scale for its own purchases from the same companies, and helped build closer technological and political ties with the military and governmental leaders of the recipient countries.

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Now, with some present orders canceled as the result of current investigations and still others in doubt, the Pentagon is fearful of losing those advantages. Other agencies are similarly fearful that unilateral U.S. government restrictions on foreign bribery will make it more difficult for American corporations to compete for orders with any less scrupulous companies from Germany, Japan, France, Great Britain, and elsewhere, with adverse effects on U.S. exports, balance of payments and employment.

The State Department is, in addition, upset by the effect of the present investigations on several friendly governments. In Italy, Japan and elsewhere, governments in an already precarious position have been shaken by these revelations of corruption. Communist and other anti-U.S. forces have exploited this evidence of immorality in capitalism and pro-Western governments. Hostility to American interests has increased. More than one foreign official friendly to the United States is fearful of ouster and is resentful of America's role in exposing these traditional practices. More than one friendly foreign newspaper has chastised the United States for broadcasting its national self-flagellation to the detriment of the Western alliance.

But those who are angry at the revelation of bribes instead of at their payment (like those angry at Woodward and Bernstein instead of at Nixon) confuse the weatherman with the weather. Even before they were uncovered, these bribes—merely by being offered and accepted—had damaged American foreign policy and made it more vulnerable to its adversaries. By engaging in such debilitating practices, U.S. businessmen, who in most countries are more visible representatives of the American way of life than our diplomats, tarnished our country's image; subverted the lawful basis of friendly governments; aggravated the economic inequities and instability that inevitably accompany this subsidization and corruption of a power elite; and rendered both the host government and our own government more susceptible to an ultimate backlash.

I doubt that the messenger will in the end be condemned for bringing the bad news. Many foreigners, without ever fully understanding Watergate, came to admire the courage and independence of the American press, courts, prosecutors and legislative branch for exposing and cleaning up that mess. I believe the same will happen here. Certainly the Communists in Italy will now have difficulty maintaining that the multinational corporations and Wall Street dominate Washington, and equal difficulty denying that it was Washington's efforts instead of their own that helped expose this corruption in Italian politics.

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To be sure, notwithstanding the virtues of disclosing and thus discouraging these practices, special care should be taken by both our executive and legislative branches not to publish the names of foreign officials accused only by unsubstantiated testimony, hearsay or rumor, and not to prejudice criminal proceedings in either our country or others by the premature publication or transmittal of such names. That is a legitimate concern of the President and the Department of State that must be respected. But even greater damage to America's reputation for justice and honor than has already been caused by the current revelations could result from any appearance of a cover-up—any suspicion on the part of the legislative branches or citizenries of other countries that the U.S. government is conspiring with their governments to delay indefinitely any disclosure affecting their incumbent officials or political parties.

Imagine the reaction of the American people had the Japanese government possessed vital information on Watergate and refused to transmit it to the House Judiciary Committee's impeachment proceeding, announcing instead that such information should go exclusively to our executive branch! Yet a similarly paternalistic decision has been made by our Department of State; and it is small wonder that this approach has caused the darkest suspicions in Japan about the possibilities of CIA and other U.S. government involvement in these overseas slush funds and bribes.

So let the information flow, with due respect for the rights of the accused. Little attention need be paid to complaints about damaged reputations from those foreign officials who have for years accepted bribes; or from those foreign governments that have long tolerated their receipt by their own officials or their payment by their own exporters; or from those foreign governments which are not now seriously investigating the clear evidence of such practices in their midst; or from those which are making a great show of cracking down on them with the full intention of permitting their resumption once the heat is off. Any pro-U.S. political party whose success has depended upon this kind of secret subsidy and corruption could not have been a very strong reed upon which our country could have leaned in any event.

The other principal concern of the Pentagon and other executive branch agencies is well-founded. Any unilateral U.S. restriction on foreign bribery by U.S. exporters undoubtedly will cause our arms merchants and others to lose substantial sales opportunities to their less-principled competitors, at least in the short run, particularly in some of our weaker industries. That unfortunate fact should be

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acknowledged. A crackdown by the United States will not be cost free.

But surely these highly vulnerable and immoral arrangements between atypical U.S. businessmen and corrupt foreign officials provide a wholly untenable and shaky basis for building our military alliances. U.S. security and stature are not increased when foreign officials are improperly induced to ignore their countries' internal needs or to distort their defense priorities by spending their limited funds (or our limited military assistance grants) on what are frequently marginal weapons systems or a kind they do not need, cannot afford to maintain or will not be able to operate.

Moreover, there was no gain to our country's balance of payments or economy when U.S. companies paid bribes to win a contract that would otherwise have gone to another U.S. company. On the contrary, the added cost of these improper contracts to the host country further weakened the market for other U.S. exporters. The fact that some American companies have succeeded in these countries without the payment of bribes is an indication that U.S. exports will not suffer all that severely from an end to such payments. Those governments desirous of obtaining U.S. technology and quality will unquestionably learn to buy our goods without any special inducement.

In short, it is on balance in the long-run interest of the United States to halt these wasteful, corrosive and indefensible payments to foreign officials by U.S.-based corporations and their subsidiaries. Such action would enable this country once again to offer moral leadership to the world, demonstrating our concern not only for the defense of society but also for the kind of society we are defending, and practicing what we preach about the free market system. It would also provide a sounder basis for our alliances, increase respect for our values, enhance our standing with more progressive elements desirous of reform, and make those governments purchasing from us less vulnerable to future political attack.

Such action would not be, as often charged, an attempt by the United States to impose its puritanical standards on the rest of the world, disregarding the sovereignty of others and policing everyone else's ethics in a hopeless attempt to reform mankind. Not at all. It would instead simply require corporations based in our own country to adhere, wherever they operated, to a standard that served U.S. national interests. Our antitrust, Trading with the Enemy, and other statutes have long been held to have similar extraterritorial application. Setting a good example does not require any other government to follow it.

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V

Of course, it would be preferable if every commercially important government in the world not only enacted but enforced tough and comprehensive laws against the payment and receipt of bribes. That would avoid any adverse competitive consequences of unilateral U.S. action. But awaiting development of an international code by the OECD, GATT, IMF or the United Nations is largely an excuse for delay and inaction. Most of the members of these organizations are not in agreement on what should be done, and many are not enthusiastic about doing anything. Such codes, if they were to be truly meaningful and enforced, would have to sink to the level of the lowest common denominator. Mild admonitions from the OECD and generalized resolutions from the United Nations are the best they are likely to produce.

The United States will be in a stronger position to call for action from other countries, and to embarrass or otherwise pressure any U.S. companies' competitors who are still paying bribes, after we have taken effective action against our own unethical corporations in this regard. Inasmuch as Congress is already past the halfway mark in an election-year session, enactment of new legislation may as well await a fuller determination this year of the entire range of the problem—lest American business be confronted with an incomplete statute constantly undergoing amendment. Nevertheless it should be already clear to our Congress that our present laws are not adequate, and that action should be taken next year before public interest in the problem flags.

Apart from the illegality of deducting such payments on U.S. tax returns, the principal statutory tool by which U.S. companies can currently be called to account is the variety of disclosure requirements in the Securities Acts. In addition, Congress has recently called for further disclosures with respect to military sales under the latest foreign aid legislation; and a similar emphasis on disclosure is contained in most of the other legislative proposals on overseas bribery.

This emphasis is well placed. Sunlight, in the memorable phrase of Justice Brandeis, is still the best disinfectant. A company legally required to expose its bribes—and thus face whatever stockholder suits, public embarrassment and government penalties may follow—is less likely to make these payments in the first place and their collaborators are less likely to demand them.

But our present disclosure laws must be strengthened: to impose more severe and certain criminal as well as civil penalties for those who fail to disclose to the appropriate U.S. government authorities

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any payments abroad, including legitimate political contributions and agents' fees, of a significant amount; to cover privately owned companies as well as those subject to SEC jurisdiction (indeed the SEC may not be the appropriate enforcement agency); to cover exporters of civilian as well as military goods; to cover requests received (as is true of current U.S. Commerce Department regulations concerning the Arab boycott) as well as payments made; and to prohibit more precisely the many techniques used to conceal these practices from corporate and governmental accountability systems.

Disclosure, however, cannot carry the whole burden of law enforcement. It would be illogical to punish more severely than at present the nondisclosure of an activity not now illegal under U.S. law. Moreover, when the general or stockholding public proves to be indifferent to a company's disclosures of wrongdoing, as is often the case, no penalty and no reform may follow.

The more direct and traditional approach to law enforcement is simply to outlaw the payment of bribes and kickbacks to foreign officials by all U.S. corporations and their subsidiaries. Many corporate officials would actually be relieved by such legislation; for it would better enable them to resist all temptations and pressures and to hold both their subordinates and at least their U.S. competitors to a higher standard. It would also provide a stronger legal basis for independent auditors, directors and lawyers—as well as federal authorities—to insist in suspicious cases upon a closer look at the books. It would communicate to every company and government the clearest possible statement of our national integrity.

Such a law would have to be drawn and enforced with great care and precision, carefully setting forth the distinctions between bribery and the other forms of payments described above, and not undertaking to enforce what it cannot reach without placing numerous police agents in every U.S. Embassy. Unenforced and unenforceable laws only engender disrespect.

Nor should compliance with a host country's laws be available as a defense under this new statute. Too many of those laws are ambiguous, incomprehensible or unenforced, and the United States cannot undertake to enforce them. Nor, in some countries, is compliance with the law much proof of propriety.

No matter how carefully the new statute is drafted and implemented, however, some improper practices will escape and some new ones will be invented to circumvent it. A foreign agent who acts as an independent contractor for several companies will be able, on his own initiative and with his own funds, without the knowledge or reim-

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bursement of a principal, to make improper payments on that principal's behalf that no outside law can reach. U.S. corporations wishing to avoid the law by selling to truly independent local distributors who in turn resell to the local government, complete with kickbacks, will no doubt be able to do so, at least diminishing the impact of their conduct on the United States. Extremely difficult problems of definition, fact-finding and interpretation, such as the seven examples earlier cited, will be frequent.

But the courts and Congress are not unaccustomed to drawing fine lines of distinction. Many another law now on the books is frequently violated but nevertheless desirable as a national standard, even if some violations go undetected. With a strengthened disclosure statute, whatever federal agency is enforcing the law will not be without tools to judge the legality of a suspect payment.

The new law could also regulate the use of agents. To prohibit their use would be outlandish, curbing many legitimate practices and merely causing those intent on paying bribes to conceal them elsewhere. To impose a maximum commission rate would only penalize "small-ticket" sales. But U.S.-based corporations could be required (1) to disclose to the U.S. enforcement agency not only every sizable fee or commission paid overseas but also the services for which it is paid and the recipient's qualifications therefor; (2) to instruct the agent by contract to make no payments to or for government officials and no political contributions on its behalf or with its funds; and (3) to obtain the explicit approval of the host government for that contract and for the agent's rate of compensation. Honest and qualified agents will, on the whole, accept such conditions; those intent on dishonesty will not.

Still other new legislative or executive measures could empower the executive branch to take supplementary action. Violators should be warned that the U.S. government would terminate their eligibility for government contracts and impose no obstacle to their extradition to any country possessing actual proof of their wrongdoing. Any U.S. business executive receiving from a foreign official a request or a demand for improper payments should be required to report it promptly to the U.S. Embassy, which should be required to protest vigorously to the host government. Foreign countries and companies persisting in such practices to the detriment of U.S. economic interests should be warned of the possibility of economic retaliation, ranging from termination of economic and military assistance to denial of access to our domestic markets or stock exchange listings.

Even though a strong international code is not in the offing, the

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Department of State should undertake to obtain in advance the approval of all affected governments for each of the legislative measures proposed above. Whatever their real feelings, they would find it difficult to object; and such a stép would both dampen the cries that such legislation was imposing our standards upon the rest of the world and improve the prospects for its general effectiveness.

It is to be hoped that such laws will also be accompanied by an increased demonstration of corporate self-regulation. In light of recent revelations, this will never be an acceptable substitute for government measures. But it will still be the most effective form of regulation, if enforced, because management can establish a system of clearances for "unusual" or "potentially embarrassing" payments out in the field that no law can adequately reach. Any new legislation and its administration should thus recognize and encourage company initiatives of this kind.

That will require, however, something more than the recent public relations announcements of companies rushing to "reemphasize longstanding policy" by the issuance of new corporate practice guidelines which are either too vague to be meaningful ("do nothing unlawful or improper"); carefully designed not to interfere with their particular practices ("do not violate local law, local custom or U.S. law; make no payments to the foreign government officials responsible for our industry"); or otherwise ineffective, by design or inadvertence.

Companies no more than governments should attempt to enforce what they cannot realistically reach. But a strict, comprehensive company code should be implemented by prompt disciplinary action, including dismissal at any level for violations; by annual sworn certifications of compliance by all responsible members of management; and by a system of full disclosure to counsel and auditors as well as superiors. Such measures, if accompanied by a reduction in pressure in the field to obtain contracts by whatever means necessary, would be far more effective than the recent proposal authorizing the government to remove the chief executive of an offending company.

In evaluating government as well as private regulation in this area, Americans should bear in mind a wise conclusion of John J. McCloy and his associates in their landmark investigation of the Gulf Oil Corporation's payments at home and abroad. "[I]t is not in the institution of rules and procedures," said that report, that the answer to this problem lies, "as much as it . . . is in the tone and purpose given to the Company by its top management."

The same is true of our country.

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FOR AN INDEPENDENT QUÉBEC

By René Lévesque

WHAT does Québec want? The question is an old cliché in Canadian political folklore. Again and again, during the more than 30 years since the end of World War II, it's been raised whenever Québec's attitudes made it the odd man out in the permanent pull and tug of our federal-provincial relations. In fact, it's a question which could go back to the British conquest of an obscure French colony some 15 years before American Independence, and then run right through the stubborn survival of those 70,000 settlers and their descendants during the following two centuries.

By now, there are some six million of them in Canada, not counting the progeny of the many thousands who were forced by poverty, especially around the turn of the century, to migrate to the United States, and now constitute substantial "Franco" communities in practically all the New England states.

But Québec remains the homeland. All along the valley of the St. Lawrence, from the Ottawa River down to the Gaspé peninsula and the great Gulf, in the ancient settlements which grew into the big cities of Montréal and Québec, in hundreds of smaller towns and villages from the American border to the mining centers and power projects in the north, there are now some 4.8 million "Québécois." That's 81 percent of the population of the largest and second most populous of Canada's ten provinces.

What does this French Québec want? Sometime during the next few years, the question may be answered. And there are growing possibilities that the answer could very well be—independence.

Launched in 1967–68, the Parti Québécois, whose platform is based on political sovereignty, now fills the role of Her Majesty's loyal Opposition in the National Assembly—as we nostalgically designate our provincial legislature. In its first electoral test in 1970, it already had had 24 percent of the votes. Then in 1973, a second general election saw it jump to 30 percent, and, although getting only six out of 110 seats, become what our British-type parliamentary system calls the Official Opposition, i.e., the government's main interlocutor and challenger.

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The next election might come any time now; this year in the fall, just after the Montréal Olympics, or at the latest in the fall of 1977. Whenever it does, all available indicators, including an impressive series of public opinion polls, tell us that for the first time the outcome is totally uncertain. The present provincial government, a branch of that same Liberal Party which also holds power at the federal level under Pierre Elliott Trudeau, is obviously on the way out. It has been in power for six years, and ever since its second and Pyrrhic victory in 1973 (102 seats) it has been going steadily downhill. Apart from a host of social and economic troubles, some imported but many more of its own making, there is around it a pervasive smell of incompetence and corruption. The scandal-ridden atmosphere surrounding the Olympic construction sites, and the incredible billion-dollar deficit which is now forecast, are just the most visible aspects of a rather complete political and administrative disaster.

Looking for an alternative, the French voter is now leaning quite clearly toward the Parti Québécois. In that "national" majority, we are at least evenly matched with Premier Robert Bourassa's Liberals, and probably ahead. As for the Anglophone minority of over a million people, whose natural attachment to the status quo normally makes them the staunchest supporters of the reigning federalist party, they are confused as never before. Composed of a dwindling proportion of Anglo-Saxon descendants of eighteenth-century conquerors or American Loyalists, along with those of nineteenth-century Irish immigrants, and a steadily growing "ethnic" mosaic (Jewish, Italian, Greek, etc.), in the crunch most of this minority will probably end up, as usual, supporting the Liberals. But not with the traditional unanimity. Caught between the Charybdis of dissatisfaction and the Scylla of secessionism, many are looking for some kind of "third force." Others, especially among younger people, are ready to go along with the Parti Québécois, whose minority vote should be a little less marginal next time than last.

So, all in all, there is quite a serious possibility that an "independentist" government will soon be elected in Québec. At first sight, this looks like a dramatically rapid development, this burgeoning and flowering over a very few years of a political emancipation movement in a population which, until recently, was commonly referred to as quiet old Québec. But in fact, its success would mean, very simply, the normal healthy end result of a long and laborious national evolution.

II

There was the definite outline of a nation in that small French

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colony which was taken over, in 1763, by the British Empire at its apogee. For over a century and a half, beginning just before the Pilgrim Fathers landed in the Boston area, that curious mixture of peasants and adventurers had been writing a proud history all over the continent. From Hudson Bay to the Gulf of Mexico, and from Labrador to the Rockies, they had been the discoverers, the fur-traders, the fort-builders. Out of this far-ranging saga, historically brief though it was, and the tenacious roots which at the same time were being sunk into the St. Lawrence lowlands, there slowly developed an identity quite different from the original stock as well as from France of the *ancien régime*; just as different, in its way, as the American identity had become from its own British seeds. Thus, when the traumatic shock of the conquest happened, it had enough staying power to survive, tightly knit around its Catholic clergy and its country landowners.

Throughout the next hundred years, while English Canada was being built, slowly but surely, out of the leftovers of the American Revolution and as a rampart against America's recurrent attacks of Manifest Destiny, French Québec managed to hang on—mostly because of its "revenge of the cradles." It was desperately poor, cut off from the decision-making centers both at home and in Great Britain, and deprived of any cultural nourishment from its former mother country. But its rural, frugal society remained incredibly prolific. So it grew impressively, at least in numbers. And it held on obstinately, according to its lights and as much as its humble means made it possible, to those two major ingredients of national identity—land and language. The hold on land was at best tenuous and, as in any colonial context, confined to the multitude of small farm holdings. Everything else—from the growth of major cities to the setting-up of manufacturing industries and then the rush of resource development—was the exclusive and undisputed field of action of "les Anglais," the growing minority of Anglo-Saxon and then assimilated immigrant groups who ran most of Québec under the compact leadership of Montréal-based entrepreneurs, financiers and merchant kings.

As for the French elite, it remained mostly made up of doctors, lawyers, and priests—"essential services" for the bodies and souls of cheap labor, whose miraculous birthrate kept the supply continuously overabundant. And naturally, there were politicians, practically all of that typical colonial breed which is tolerated as long as it keeps natives happily excited about accessories and divided on essentials.

Needless to say, the educational system was made both to reflect this type of society and to keep it going nicely and quietly. There was

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a modest collection of church-run seminaries, where the main accent was on recruiting for the priesthood, and which, for over a century, led to just one underdeveloped university. For nine-tenths of the children, there was nothing but grammar school, if that. Read and write barely enough to sign your name, and then, without any time for "getting ideas," graduate to obedient respectful employment by any boss generous enough to offer a steady modest job.

Such was the culturally starved and economically inferior, but well-insulated and thus highly resistant, French Québec which, 109 years ago, was led into the final mutation of British North America and its supreme defense against American expansionism: Confederation, of four eastern colonies as a beginning, but soon to run north of the border "from sea to sea." Into that impressive Dominion, originally as one of four and eventually one of ten provinces, Québec was incorporated without trouble and generally without enthusiasm. From now on, it was to be a minority forever, and, with the help of a dynamic federal immigration policy, a steadily diminishing one. In due time, it would probably merge and disappear into the mainstream, or at the most remain as a relatively insignificant and yet convenient ghetto: *la différence.*

As the building of Canada accelerated during the late nineteenth and early twentieth centuries, a tradition was established that Québec was to get its measured share of the work, anytime there was enough to go around—and the same for rewards. And so, in a nutshell, it went until fairly recently. All told, it hasn't been such a bad deal, this status of "inner colony" in a country owned and managed by another national entity. Undoubtedly, French Québec was (as it remains to this day) the least ill-treated of all colonies in the world. Under a highly centralized federal system, which is much closer to a unitary regime than American federalism, it was allowed its full panoply of provincial institutions: cabinet, legislature, courts, along with the quasi-permanent fun of great squabbles, usually leading to exciting election campaigns, about the defense or extension of its "state rights"! On three occasions during the last 80 years, one of "its own" has even been called upon—at times when there was felt a particular need to keep the natives quiet—to fill the most flattering of all offices, that of federal Prime Minister. Last but not least of the three, Mr. Trudeau, of whose "Canadian nationalism" it is naturally part and parcel, did as splendidly as was humanly possible for most of the last ten years in this big-chief-of-Québec dimension of the job. But the law of diminishing returns, along with the inevitable way of all (including political) flesh, has been catching up with his so-called French Power in

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Ottawa. And no replacement seems to be in sight.

III

But this is getting ahead of our story. To understand the rise of Québec's own new nationalism and its unprecedented drive toward self-government, we must go back at least as far as World War II. Not that the dream had completely vanished during the two long centuries of survival which have just been described—from an admittedly partisan, but, I honestly believe, not unfair viewpoint. In the 1830s, for instance, there even was an ill-advised and disastrous armed rebellion by a few hundred "Patriots," leading to bloody repression and lasting memories about what not to do. And it is rather significant, by the way, that it took until just now before the poor heroic victims of that abortive rebellion became truly rehabilitated in popular opinion.

Small and impotent though it was, and in spite of feeling that this condition would possibly last forever, French Québec never quite forgot the potential nation it had once been, never quite gave up dreaming about some miracle which might bring back its chance in the future. In some distant, indescribable future. Now and then, there were stirrings: a writer here, a small political coterie there; a great upsurge of nationalist emotions, in the 1880s, around the Riel affair—the hanging by "les Anglais" of the French-speaking leader of the Prairie Metis; then in 1917, on the conscription issue, a bitter and frequently violent confrontation between the Empire-minded English and the "isolationist" French; faint stirrings again in the Twenties; stronger ones in the Thirties.

Then World War II, with a repeat, in 1944, of the total disagreement on conscription. But mostly, here as elsewhere, this most terrible of all wars was also a midwife for revolutionary change. Thankfully in less disruptive a manner than in other parts of the world, it did start a revolution in Québec. Wartime service, both overseas and on the industrial home-front, dealt a mortal blow to the old order, gave an irresistible impetus to urbanization and started the breakup of the traditional rural-parish ideal, yanked women by the thousands into war-plant industry and as many men into battle-dress discovery of the great wide world. For a small cooped-up society, this was a more traumatic experience than for most others. And then when the post war years brought the Roaring Fifties, unprecedented mobility, and television along with a consumer society, the revolution had to become permanent.

The beginning of the 1960s saw it baptized officially: the Quiet

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Revolution, with the adjective implying that "quaint old Québec" couldn't have changed all that much. But it had. Its old set of values literally shattered, it was feeling collectively naked, like a lobster during its shedding season, looking frantically about for a new armor with which to face the modern world. The first and most obvious move was toward education. After so prolonged and scandalous a neglect of this most basic instrument of development, it was quickly realized that here was the first urgent bootstrap operation that had to be launched. It was done with a vengeance: from one of the lowest in the Western world, Québec per capita investment in education rapidly became, and remains, one of the very highest. Not always well spent (but who is to throw the first stone?), with many mistakes along the way, and the job still far from complete, which it will never be anyway; but the essential results are there, and multiplying: human resources that are, at long last, getting required development, along with a somewhat equal chance for all and a normal furious rise in general expectations. The same, naturally, is happening also in other fields, quite particularly in that of economics, the very first where such rising expectations were bound to strike against the wall of an entrenched colonial setup, with its now intolerable second-class status for the French majority, and the stifling remote control of nearly all major decisions either in Ottawa or in alien corporate offices.

Inevitably, there had to be a spillover into politics. More than half of our public revenue and most of the decisions that count were and are in outside hands, in a federal establishment which was basically instituted not by or for us, but by others and, always first and foremost, for their own purposes. With the highly centralized financial system that this establishment constitutionally lords over, this means, for example, that about 80 percent of Québec savings and potential investment capital ends up in banks and insurance companies whose operations are none of our business. It also means, just for example once again, that immigration is also practically none of our business; and this could have, and is having, murderous effects on a minority people with a birthrate, changed like everything else in less than a generation, down from its former prodigious level to close to zero population growth.

Throughout the 1960s, these and other problems were interminably argued about and batted back and forth between federal politicians and bureaucrats ("What we have we hold, until we get more") and a succession of insistent but orthodox, no more than rock-the-boat, nationalists in Québec. But while this dialogue of the deaf was going on and on, the idea of political independence reappeared as it had to.

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Not as a dream this time, but as a project, and very quickly as a serious one. This developed by leaps and bounds from easily ridiculed marginal groups to small semi-organized political factions, and finally to a full-fledged national party in 1967–68. These were the same two years during which, by pure coincidence, Mr. Trudeau was just as rapidly being elevated to the heights as a new federalist champion from Québec.

But in spite of his best efforts and those of his party's branch-plant in provincial government, and through an unceasing barrage of money, vilification and rather repugnant fear-inducing propaganda, the voters have democratically brought the Parti Québécois ever closer to power. Which brings us right back to our starting-point. . . .

IV

Let us suppose it does happen, and Québec peacefully elects such a government. What then?

The way we see it, it would have to go somewhat like this. There is a new Québec government which is totally dedicated to political independence. But this same Québec, for the time being, is still very much a component of federal Canada, with its quite legitimate body of elected representatives in Ottawa. This calls, first of all, for at least a try at negotiation. But fruitful talk between two equally legitimate and diametrically opposed levels of government, without any further pressure from the population—that would be a real first in Canadian political history! Obviously, there would have to be the referendum which the Parti Québécois proposes in order to get the decisive yes-or-no answer to the tired question: What *does* Québec want? (This was precisely the procedure by which the only new province to join Confederation during our recent democratic past, Newfoundland, was consulted in 1948–49 about whether or not to opt in. So why not about opting out?) If the answer should be no, then there's nothing to do but wait for the momentum of change to keep on working until we all find out whether or not there is finally to be a nation here. If the answer is yes, out, then the pressure is on Ottawa, along with a rather dramatic surge of outside attention, and we all get a privileged opportunity to study the recently inked Helsinki Declaration and other noble documents about self-determination for all peoples.

Fully confident of the basic integrity of Canadian democracy, and just as conscious that any silliness would be very costly for both sides, we firmly believe that the matter would then be brought to a negotiated settlement. Especially since the Parti Québécois, far from aiming at any kind of mutual hostility or absurd Berlin Wall, will then

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repeat its standing offer of a new kind of association, as soon as it is agreed to get rid of our illusion of deep unshakeable national unity, when in fact here are two quite real and distinct entities in an obsolete and increasingly morbid majority/minority relationship. Our aim is simply full equality by the only means through which a smaller nation can reasonably expect to achieve it with a larger one: self-government. But we are definitely not unaware of the shock waves that such a break, after so long an illusion of eternity, is bound to send through the Canadian political fabric.

We do not accept the simplistic domino theory, where Québec's departure is presented as the beginning of fatal dislocation, with "separatism" spreading in all directions like a galloping disease until the balkanized bits and pieces are swallowed up by the huge maw next door. In spite of the somewhat unsure character of its national identity and its excessive satellization by the American economic and cultural empire, Canada-without-Québec has enough "différence" left, sufficient traditions and institutional originality, to withstand the extraction of its "foreign body" and find a way to go on from there. It might even turn out to be a heaven-sent opportunity to revamp the overcentralized and ridiculously bureaucratized federal system, that century-old sacred cow which, for the moment, nobody dares to touch seriously for fear of encouraging Québec's subversive leanings!

Be that as it may, we know there would be a traumatic moment and a delicate transition during which things might go wrong between us for quite a while, or else, one would hope, start going right as never before. With this strange new-colored Québec on the map between Ontario and the Maritime provinces, Canada must be kept from feeling incurably "Pakistanized," so we must address ourselves without delay to the problem of keeping a land bridge open with as much free flow of people and goods as is humanly possible; as much and more as there is, I would imagine, between Alaska and the main body of the United States over the western land bridge.

Such a scenario would call, as a decisive first step, for a customs union, as full-fledged as both countries consider to be mutually advantageous. We have, in fact, been proposing that ever since the Parti Québécois was founded, and naturally meeting with the most resonant silence in all orthodox federalist circles. But in the midst of that silence, not a single responsible politician, nor for that matter a single important businessman, has been heard to declare that it wouldn't happen if and when the time comes. For indisputably such a partnership, carefully negotiated on the basis of equality, is bound to be in the cards. Nothing prevents one envisaging it, for instance, going imme-

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diately, or at least very quickly, as far as the kind of monetary union which the European Common Market, with its original six and now nine members, has been fitfully aiming at for so many years. And building on this foundation, it would lead this new "northern tier" to a future immeasurably richer and more stimulating than the 109-year-old bind in which two nations more often than not feel and act like Churchill's two scorpions in the same bottle.

V

What of Québec's own national future, both internal and international, in this context of sovereignty-cum-interdependence?

The answers here, for reasons that are evident, have to be brief, even sketchy and essentially tentative. The perspective of nationhood, for people who haven't been there yet, is bound to be an uncertain horizon. The more so in a period of history like ours, when so much is changing so fast you get the feeling that maybe change itself is becoming the only law to be counted on. Who can pretend to know exactly what or where his country will be 25 or even just ten years from now?

One thing sure, is that Québec will not end up, either soon or in any foreseeable future, as the anarchic caricature of a revolutionary banana republic which adverse propaganda has been having great sinister fun depicting in advance. Either-Ottawa-or is very simply inspired by prejudice, the origin of this nonsense mostly to be found in the tragic month of October 1970 and the great "crisis" which our political establishments, under the astutely calculating Mr. Trudeau, managed to make out of a couple of dozen young terrorists, whose ideology was a hopeless hodgepodge of anarcho-nationalism and kindergarten Marxism, which had no chance of having any kind of serious impact. What they *did* accomplish was two kidnappings and, most cynically welcome of all, one murder—highly unfortunate but then also particularly par for the course in the international climate at the time. What was not par at all, however, was the incredible abuse of power for which those events, relatively minor per se, were used as a pretext: the careful buildup of public hysteria, army trucks rolling in during the night, and then, for months on end, the application in Québec, and solely in Québec, of a federal War Measures Act for which no peacetime precedent exists in any democratic country. A great spectacle produced in order to terrorize the Québécois forever back into unquestioning submissiveness, and, outside, to feed the mill of scary propaganda about how dangerous this tame animal could nevertheless be!

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In actual fact, French Québec, with its normal share of troubles, disquiet and, now, the same kind of social turmoil and search for new values that are rampant all over the Western world, remains at bottom a very solid, well-knit and nonviolent society. Even its new and demanding nationalism has about itself something less strident and essentially more self-confident than its current pan-Canadian counterpart. For Québec has an assurance of identity, along with a relative lack of aggressiveness, which are the result of that one major factor of national durability lacking in the rest of Canada: a different language and the cultural fabric that goes with it.

Now how does the Parti Québécois see this society begin to find its way as an independent nation? What is the general outline of the political, social and economic structure we hope to bring forth? Serious observers have been calling our program basically social-democratic, rather comparable to the Scandinavian models although certainly not a carbon copy since all people, through their own experiences, have to invent their own "mix."

The way we have been trying to rough it out democratically through half a dozen national party conventions, ours would call for a presidential regime, as much of an equal-opportunity social system as we could afford, and a decent measure, as quickly as possible but as carefully as indicated, of economic "repatriation." This last would begin to happen immediately, and normally without any great perturbation, through the very fact of sovereignty: with the gathering in of all of our public revenues and the full legislative control which any self-respecting national state has to implement over its main financial institutions, banks, insurance companies and the like. In the latter case, this would allow us to break the stranglehold in which the old British-inspired banking system of just a handful of "majors" has always kept the people's money and financial initiative. The dominant position in our repatriated financial circuit would be handed over to Québec's cooperative institutions, which happen to be particularly well developed in that very field, and, being strongly organized on a regional basis, would afford our population a decent chance for better-balanced, responsible, democratic development. And that, by the way, is just one fundamental aspect of the kind of evolution toward a new economic democracy, from the lowest rung in the marketplace up to board-room levels, which all advanced societies that are not already doing so had better start thinking about in the very near future.

As to non-resident enterprise, apart from the universal minimums concerning incorporations and due respect for Québec taxes, language and other classic national requirements, what we have been fashioning

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over the last few years is an outline of a policy which we think is both logical and promising. It would take the form of an "investment code," giving a clean-cut picture, by sectors, of what parts of our economic life (e.g., culturally oriented activities, basic steel and forest resources) we would insist on keeping under home ownership, what other parts we would like to see under mixed control (a very few selected but strategic cases) and, finally, the multitude of fields (tied to markets, and to technological and/or capital necessities) where foreign interests would be allowed to stay or to enter provided they do not tend to own us along with their businesses.

In brief, Québec's most privileged links, aside from its most essential relationship with the Canadian partner, would be first with the United States—where there is no imaginable reason to frown on such a tardy but natural and healthy development (especially during a Bicentennial year). Then Québec would look to other Francophone or "Latin" countries as cultural respondents, and to France herself—who would certainly not be indifferent to the fact that this new nation would constitute the second most important French-speaking country in the world. In brief, such is the peaceful and, we confidently hope, fruitfully progressive state which may very well appear on the map of North America before the end of the decade.

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THE SOVIET UNION, CHINA AND THE WEST IN SOUTHERN AFRICA

By Colin Legum

LIKE Henry Kissinger, most American commentators have interpreted the Soviet intervention in Angola almost solely as an extension of Soviet cold war competition with the West into Africa. In this perspective the outcome in Angola has been viewed as a major gain for the Soviet Union against the West, with the Russians capitalizing on the American disadvantage in its years of support for Portugal. With the South African intervention against the Soviet-backed liberation movement, the Russians also scored an important "diplomatic triumph," as the Organization of African Unity swung around to overwhelming support for the Soviet protégé, against the Angolan leaders who had called in the South Africans. In all this the United States and the West were the big losers.

While this interpretation contains some elements of truth, it is an inadequate framework for analysis of what actually happened in Angola and what may now be in immediate prospect for Rhodesia and Namibia. For it leaves out an extremely important element—the rivalry between the Soviet Union and China for influence in Africa. Only if this rivalry is given the emphasis it deserves can one understand the true nature of the struggle that is now taking place in Rhodesia, and, prospectively, future conflicts in Namibia and South Africa.

The root of the conflict in southern Africa is of course entirely indigenous—that is, it arises from the determination of black Africans to bring an end to the white supremacist regimes there. Most African leaders would much prefer, in their own interests, to see this come about through nonviolent means, as was demonstrated by their response in 1974 to the offer to start talks by South Africa's Prime Minister Johannes Vorster. They will, nonetheless, support violence if no other way seems open, as they do presently in Rhodesia. Similarly, most influential African leaders are hostile to communism and strongly opposed to the intrusion of big-power politics in Africa;

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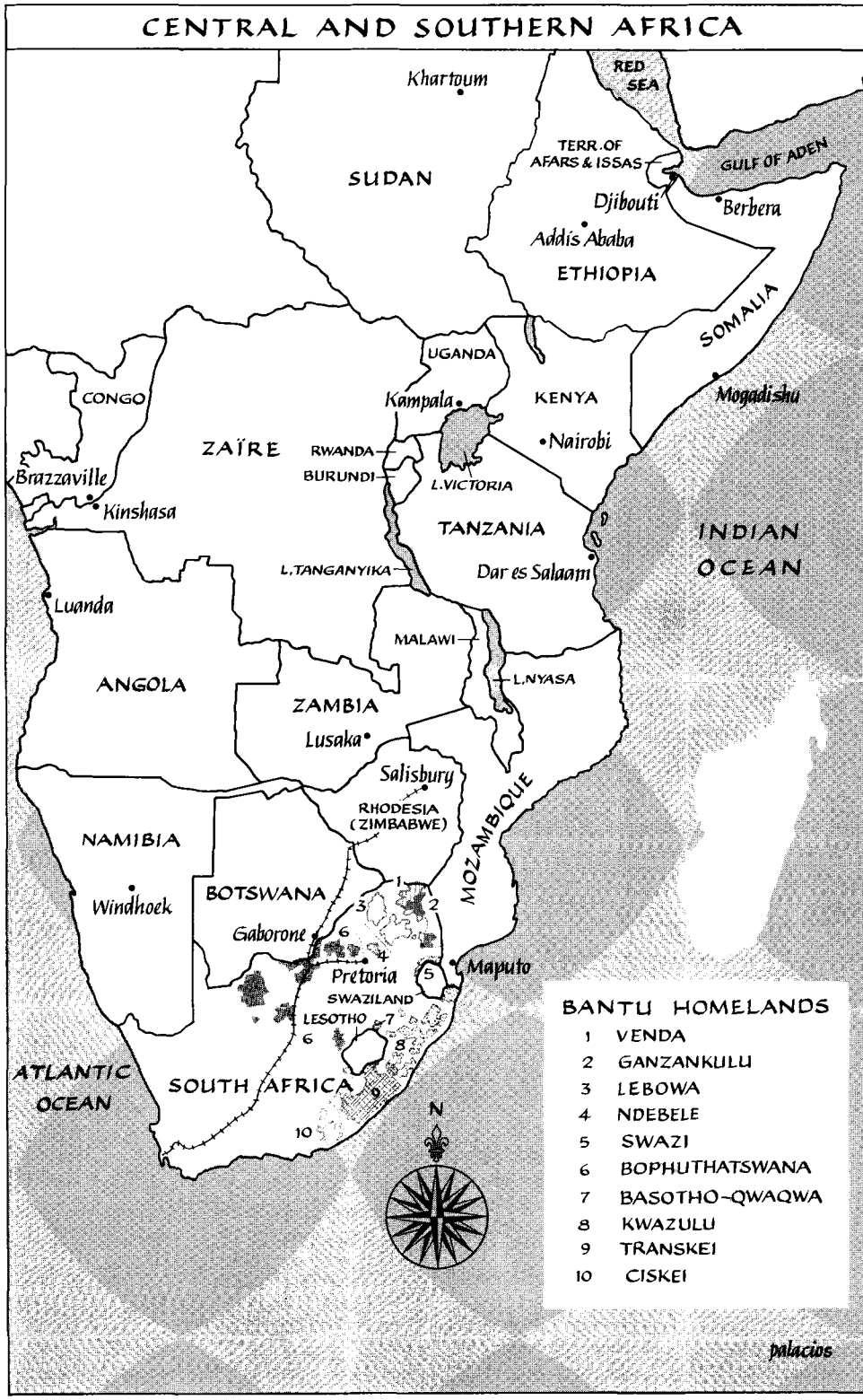

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but because they see white racism in southern Africa as a bigger menace to them than communism, they will welcome anti-Western forces in the struggle against the white supremacist regimes.

Neither the Soviet Union nor China has had any conflicting interest or ideological difficulties in wholeheartedly supporting the African drive against white-minority rule. The Western position, on the other hand, has necessarily been more ambiguous, given a sizable Western economic stake in the area and strong social constraints against the risk of a race war which guerrilla tactics would unavoidably entail. At least until Secretary of State Kissinger's recent trip to Africa, this diplomatic disadvantage was reinforced for the United States by its reputed and discernible "tilt" toward the white-minority regimes.

Mr. Kissinger's statements during his April journey to Africa could signal an important shift in U.S. policy. It is true that he avoided directly taking issue over South Africa in his major speech in Lusaka, but few really expected at this stage that there would be any clear-cut U.S. declaration on this question, given South Africa's old, barnacle-like attachment to the hulk of the West. The Secretary of State's full commitment to early majority rule in Rhodesia and to an internationally acceptable independence for Namibia, however, sounded encouraging in African ears.

If the Administration can quickly follow up on the promises, its ability to influence developments in southern Africa will undoubtedly be improved. Three steps are seen by Africans as an immediate test of a meaningful change in U.S. policy: repeal of the Byrd Amendment which permits chrome imports from Rhodesia; recognition of the new 18-member High Command of the Zimbabwe Liberation Army (ZILA) which is now more important than the old leadership of the African National Council (ANC); and a firm rejection of any independence for Namibia which does not have the substantial endorsement of the country's political leadership, including the South West African People's Organization (SWAPO).

But if the U.S. (and Western) posture is in fact moving closer toward African aspirations, it is more than ever vital to take full account of the deep-seated rivalry between the Soviet Union and China, and the way that rivalry interacts with the interests of black African nations, and South Africa. For the West, the Sino-Soviet struggle in Africa may hold both perils and opportunities.

II

Since the early 1960s, rivalry between the Chinese and the Rus-

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sians in the Third World has grown increasingly intense. The "first front" in this struggle has been South and Southeast Asia. There the Russians, over the past decade, have more than held their own: in Vietnam and Laos they have emerged at least more influential than the Chinese, and their developing relations with Mrs. Indira Gandhi's India are, at least in the short term, a considerable achievement. In Bangladesh the rivalry is now growing keener, as the Chinese move to underpin the military regime to resist the pressures of New Delhi and Moscow.

A related part of that struggle, in Soviet strategic thinking, has undoubtedly been the competition for influence in the countries on both sides of the Red Sea, notably in the Horn of Africa. Here the Soviets were able to establish military facilities in Somalia but also suffered sharp setbacks, including the failure of the communist-led coup in the Sudan in 1971, and the erosion of their close relations with Egypt since 1972. It now also looks as if they are being eased out of the important Aden port in South Yemen.

Elsewhere in black Africa, the Soviets made determined efforts in the early 1960s, notably in Zaïre, Ghana, Guinea and Mali, but with the failure of their efforts in the first two countries and uncertain results in the latter, the Russians became increasingly clumsy in their dealings. By 1973, Moscow had few worthwhile connections in black Africa, other than tiny Somalia and unstable Congo-Brazzaville.

The Chinese, on the other hand, having also got off to an early bad start, profited more quickly from their mistakes than the Russians, notably after their Cultural Revolution. Avoiding blatant bids for political domination, and tailoring their programs to meet the particular requests of the Africans themselves, they imparted a sense of both generosity and disinterest to their aid role which has led to their steadily widening their sphere of friendly influence on the African continent.

The Chinese had two particular successes. The first was the expansion of their friendship with Tanzania (through the building of the Freedom Railway to Zambia) and later with Zaïre: thus they established a network of relationships across the tropical waist of Africa from the Indian Ocean to the Atlantic. (At present they are considering a request from Botswana to help operate that country's section of the line recently taken over from Rhodesian Railways.) Their second success was in winning the confidence of the major liberation movements in southern Africa to a much greater extent than did the Russians, despite Moscow's arms and economic aid. With the exception of the African National Congress of South Africa

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(ANC-in-exile), all the major liberation movements appear to have found it easier to work with the Chinese than with the Russians. This was notably the case with the Front for the Liberation of Mozambique (FRELIMO), the Zimbabwe African National Union (ZANU) of Rhodesia, and SWAPO of Namibia.

Moscow had a particularly troubled relationship with the Angolan leadership during the liberation struggle. Although they had consistently supported the Popular Movement for the Liberation of Angola (MPLA), they had never found it easy to get along with the rather secretive and prickly Agostinho Neto. For a time in 1973 they went so far as to support one of Neto's challengers, Daniel Chipenda, and cut off all their aid to MPLA; but once it became clear that Chipenda could not win, Moscow switched its support back to Neto.

The Soviets' concern over China's successes in Africa led them, around 1972–73, to embark on a much more vigorous policy in black Africa. They became the main arms suppliers to Uganda's tyrant ruler, General Idi Amin, and they entered into an arms agreement with Libya's Colonel Qaddafi, despite his militantly anti-communist stand. While the move toward Libya was clearly aimed at President Sadat (whose relations with Qaddafi are notoriously bad), the decision to gamble on Amin gave them an apparent "gain" in East and Central Africa—in a country, moreover, hostile to Tanzania and Zambia, both of which are seen by the Russians as being "under Chinese influence." (Moscow's classification of African countries bears a strong resemblance to the simplistic views held by Western military establishments.)

This new higher priority given to Africa by Moscow enabled it to respond quickly to two major developments early in 1974. The first was the February army mutiny in Ethiopia, which marked the beginning of the end of Haile Selassie's long rule and began a new period of instability around the Horn of Africa. And the second was the Portuguese coup two months later.

The collapse of the Portuguese dictatorship in April 1974 initiated a new phase in the Sino-Soviet struggle, with the Chinese initially making far the greater gains, particularly in Mozambique, and in consolidating their relations with Tanzania and Zambia. Given the strong Chinese position already established with two of Angola's liberation movements (the Zaïre-backed Front for the Liberation of Angola [FNLA] and the National Union for the Total Independence of Angola [UNITA]) as well as with the Zaïre government, the cards were heavily stacked in the Chinese favor at the end of 1974.

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In this context, and within what was already emerging as a much speeded-up timetable in southern Africa generally, the Soviets made their crucial decision in Angola in 1975.

III

In terms of size and risk, the Soviet operation in Angola went a good deal beyond their previous ventures in Africa. In their all-out support of the MPLA, the Russians gambled on the success of a minority party, and for a time defied the collective policy of the Organization of African Unity (OAU), which favored government of national unity in an independent Angola. The key to these bold Soviet decisions lay above all in the Chinese factor.

In Angola, in the early months of 1975, the MPLA was facing an open challenge from the Zaïre-backed FNLA. At that time the Chinese, with their military instructors based in Zaïre, were FNLA's most effective foreign backers. U.S. aid was still small in scale. If the Russians had been primarily concerned with neutralizing U.S. aid, they could have invoked the Moscow accords to prevent the development of a situation which could lead to a military confrontation between them. But this would have meant leaving the field clear for the Chinese to spread their influence through FNLA and Zaïre.

Instead, by March 1975, the Russians were already engaged in sending substantial military supplies to the MPLA—fully six months before the first U.S. arms shipments had begun to reach FNLA through Zaïre, and only two months after Kissinger had asked Congress to approve a limited military aid program to Zaïre for this purpose. The March 1975 date is important because it explains how the MPLA could by then have become sufficiently strong to best the FNLA forces in the continuing struggles for control of the capital in April and May. By June the MPLA was strong enough to take on UNITA as well, and to spread its forces, albeit lightly, across 12 of the 14 provinces.

It is not yet possible to fix with certainty the exact date when Moscow first began to arrange with Fidel Castro to bring in large numbers of Cubans as bearers of the communist flag on the battlefield, or when President Ngouabi of the Congo agreed that his capital, Brazzaville, should serve as the base for the buildup of Russian arms for the MPLA and the staging post for the trans-shipment of Cuban soldiers to Angola. By July, however, the Russians were almost certainly going for broke.

By September, two months before the date set for independence on November 11, the Russian and Cuban military aid was of a size that

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promised military supremacy to the MPLA. The scale of the Soviet/Cuban intervention increased sharply in early October, three weeks before the South African forces entered Angola in any size. (However, by September, the MPLA were very likely already convinced that such an attack was probable.) Because the Russians and Cubans had by then already established their communication lines to, and through, Brazzaville, it was a simple matter for them to increase the size of their intervention at short notice. The Russian and Cuban contention that their military intervention was the result of the South African invasion is clearly an ex post facto rationalization.

In October, the Russians openly opposed the OAU position in favor of a government of national unity. They showed their hand by a blunt demarche to the OAU Chairman, General Idi Amin, demanding that Amin, the recipient of quantities of Soviet military aid, should break with the policy of his own organization and follow the Moscow line, recognizing the MPLA as the sole legal authority. Not one to knuckle under—in any direction—Amin refused. This remarkably clumsy diplomacy was evidence of the Soviet Union's overriding determination to see its Angolan enterprise succeed.

The Chinese, on the other hand, made their decision to withdraw their instructors from the FNLA camps in Zaïre in July 1975 in response to the OAU's call for neutrality among the three rival Angolan movements. The reason they gave for this decision was that since they were not in a position to deliver aid to the MPLA, they would have been taking sides if they were left supporting only the FNLA and UNITA. Two months later the Chinese in fact withdrew all their military instructors from Zaïre. Peking was not equipped to compete with massive Soviet aid. It is also probable that the Chinese, taking a much longer historical view of their role in Africa than Moscow, believed they would be able to achieve more in the long run by proving themselves loyal to OAU decisions. (It is likely, too, that they counted on the United States not to allow itself to be ousted by the Russians from an area of traditional Western interest.)

After the South Africans invaded Angola in October, all political risk of the Soviets offending Africa was eradicated, but they were still faced with the perils inherent in their role as patron of an undeveloped and divided nation. Their willingness to commit themselves fully in the face of these uncertainties resulted largely from a desire to counter the significant Chinese influence in East Africa, particularly the Chinese involvement in the liberation struggles.

What happened in Angola suggests that in the Third World the Sino-Soviet rivalry with each other has become more important to

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them than either's rivalry with the West. The Chinese felt themselves to be in de facto alliance with the United States and reportedly urged U.S. intervention against the Russians and Cubans. The Russians, for their part, were willing to place détente with Washington in jeopardy at a time when opposition to détente was already growing in the United States and Western Europe.

The clearest evidence of the primary importance of the Sino-Soviet contest was provided by the propaganda circulated in the Third World by Moscow and Peking during the Angolan crisis. Both sides were concerned almost entirely with discrediting each other and only to a minor degree with attacking "U.S. and Western imperialism." Indeed, the leitmotiv of Peking's line on Angola was to accuse the "modern tsarists" of "single-handedly provoking the civil war in Angola." The Russians, on their side, insisted that:

> all the action taken by the Peking leadership shows that the Maoists, who are seeking their own hegemonic control (over the world), have not stopped subversive activity against the Angolan people for a single minute, that they gave active support to pro-imperialist groupings and organizations, pushing them to take action against the genuine representatives and vanguard of the Angolan people—the MPLA.

Each side strained to convince the Third World that the role of the other in Angola was proof of a clear design to achieve "world domination"—an obsessive refrain in the propaganda of both.

In this contest for the allegiance of the Third World, the Russians are concerned to defend themselves against what they regard as "Peking's false doctrine about the role of the two superpowers . . . a cunning trick of the Maoists who dream of dominating the world." Moscow's defensive line is typified by this kind of statement:

> The present leadership of the PRC are taking considerable pains in order to justify the so-called vanguard role of China in the world revolutionary process and to represent itself as one of the truest and most consistent allies of the Afro-Asian and Latin American peoples in their struggles for national liberation, against imperialism, colonialism and neocolonialism. But events have proved absolutely false the Maoists' representation of Peking as a factor working to cement the national liberation forces of Angola. . . .

To which the Chinese counterattacked by saying:

> People have become increasingly aware that in contending for hegemony with the other superpowers, the Soviet revisionists stoop to anything to frenziedly penetrate and expand in Africa in a vain attempt to replace the old colonialism. Their interference in the internal affairs of Angola constitutes an important step in their scramble for hegemony in Africa, the aim being to place strategically important Angola, which is rich in natural resources, in their neocolonialist spheres of influence.

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The Chinese position closely approximates that of the hawks in the West in seeing the Russian design as being concerned solely with becoming the new "colonial power in Africa." At the height of the Angolan affair, a senior Chinese diplomat remonstrated with me for questioning whether the Russians were really interested in acquiring military bases in Angola. "That," he said coldly, "may not be the wish of the Angolans; but we know how difficult it was for us to shake the Russians off our necks in China and we, after all, were in a somewhat stronger position to resist the Russians than are the Angolans."

The outcome of the Angolan affair did shift the balance of influence between the Soviets and Chinese in Africa. The Soviet Union demonstrated its willingness and capability to produce effective military support for an ally in a strategically crucial part of southern Africa. In doing so, the Russians succeeded in encouraging other liberation movements to think seriously about accepting their support. It is too early yet to know how much China's influence has suffered in Africa as a result of the Russian/Cuban/MPLA victory, but what is certain is Chinese determination to ensure that the Russians do not, if they can possibly help it, repeat their victory in Rhodesia and Namibia.

IV

The experience of Angola should not be taken as a sure guide to what will happen in Rhodesia. The Russians were able to play an effective role in Angola for a number of reasons particular to that situation, including: the peculiar nature of the power struggle among rival Angolan movements in a country without a legally recognized government; South Africa's decision to intervene militarily; the Chinese decision to opt for neutrality in the local power struggle; and the paralysis of U.S. foreign policy making in the aftermath of Vietnam, Watergate and the CIA investigations.

In Rhodesia and Namibia, the role that external powers will play is likely to be circumscribed by the active role of the leaders of the neighboring black African countries. The so-called Front-Line Presidents—Tanzania's Julius Nyerere (the chairman), Zambia's Kenneth Kaunda, Mozambique's Samora Machel, and Botswana's Sir Seretse Khama—exercise a controlling influence over what happens in the liberation struggle in Rhodesia. The effectiveness of this strong quartet depends on their ability to carry the majority of the OAU membership with them—which seems assured—and especially on their ability to retain the confidence of the new Zimbabwe Liberation

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Army (ZILA) high command. ZILA, whose leadership is as yet relatively unknown, has now replaced the divided leadership of the African National Council (ANC), as represented by Bishop Abel Muzorewa, and the two main guerrilla movements, the Zimbabwe African Nationalist Union (ZANU) led by the Reverend Ndabiningi Sithole and the Zimbabwe African People's Union (ZAPU) led by Joshua Nkomo.

Although Messrs. Kaunda and Khama had ended up on opposite sides from Messrs. Nyerere and Machel in the Angolan controversies, the four Presidents have remained on close and friendly terms and are agreed on a strategy for Rhodesia. They are united in their commitment to a full-scale guerrilla war in Rhodesia until a white Rhodesian leadership emerges which is willing to enter into negotiations premised on the acceptance of immediate majority rule. Although they have committed themselves to the struggle, they want to keep it as short as possible to avoid unnecessary loss of life and bitterness, and to minimize the damaging effects on the economies of Zambia and Mozambique of a war on their borders. For landlocked Zambia the disruption of its transport routes to the sea is a serious matter. Mozambique's parlous economy makes its commitment especially heroic, or reckless, depending on one's point of view.

The second point of agreement among the four Presidents is that all foreign military and economic aid for the guerrillas must be channeled through the OAU Liberation Committee in Dar es Salaam. By this measure they seek to prevent any of the major powers from backing possible rival black nationalist factions, thus repeating Angola's tragedy. The third and fourth points of agreement are also aimed at curtailing further outside intervention by insisting that the fighting itself must be done only by Zimbabweans, thereby excluding the possibility of Cuban commandos repeating their Angolan role in Rhodesia; and that no new foreign military instructors are to be admitted into the training camps of ZILA situated in Mozambique and Tanzania. This last point ensures to the Chinese a primary role in the training of the guerrillas. The Chinese already have been involved for about seven years in support of the main guerrilla group, ZANU, whose forces have now been absorbed by ZILA. The Russians have in the past given their support to ZANU's rival, ZAPU, which failed conspicuously to build up an effective guerrilla force. ZAPU is represented in the joint command, but its past military ineffectiveness makes it the subordinate partner. The ZILA military command, with only one or two notable exceptions, favors cooperation with the Chinese instructors. Continuing Russian pressures for a major training

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role to be given to Cuban military instructors are being vigorously resisted by the Chinese, who have described the Cuban commandos in Angola as "Russian mercenaries."

However, a small number of Cuban instructors have now been admitted as a trade-off for Russian deliveries of SAM missiles and other sophisticated weapons not yet available from China—and relations between the few Cubans and the Chinese instructors in the camps are known to be producing difficulties for the ZILA High Command.

So, in the developing Rhodesian struggle the Sino-Soviet rivalry witnessed in Angola is continued. For the Front-Line Presidents and the Zambabwe leadership the risk of introducing the damaging rivalry between the two communist capitals into ZILA's ranks is a major concern. It is possible that, under continuing heavy Russian pressure, the Chinese might be asked to give up their present training role, but this is not immediately in prospect. The Russians, however, can be expected to exercise considerable pressures on the African leaders to undercut the Chinese role. There is reason to believe that they are proving reluctant to supply arms through the OAU Liberation Committee in protest against the present policy of the Front-Line Presidents. Because the guerrillas are particularly keen to get Russian supplies of SAM-7 missiles, Moscow has a strong card to play.

As long as the Front-Line Presidents are able to maintain their present unity, and to retain the confidence of the ZILA high command (a crucial factor), they are in physical control of the strategy to be followed in Rhodesia. It is presently no part of their strategy to allow the Cuban commandos to repeat their Angolan role in Rhodesia. Independence and African self-determination are important ideological goals for them. Even more important, they have no desire to see outside powers exacerbate Zimbabwean divisions by choosing sides.

However, there are a number of elements which could influence their present strategy. If the guerrillas fail in the next several years to crack the morale of Ian Smith's supporters, who still include the great majority of white Rhodesians, frustration could induce an erosion of the present policy. A prolonged struggle could change the political situation in Mozambique (whose leadership is still engaged in implanting its authority in the recently born republic) and in Zambia. Serious economic dislocation and internal insecurity caused by the wars along their borders could, in time, undermine the present leadership in both countries. Unless there is an early outcome to the Rhodesian struggle, pressure could arise for a greater input of military power against the Smith regime; and frustration would induce a

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greater openness to the involvement of outside powers.

Furthermore, if an open split were to develop within ZILA's High Command, the Russians and Chinese could step in to support rival factions.

Another major element of uncertainty is South Africa's future role in Rhodesia. Mr. Vorster believes majority rule in Rhodesia is both inevitable and necessary. His present firm policy is not to become militarily involved in the Rhodesian fighting, having withdrawn his forces from that country in 1975. His decision to withdraw his backing from the Smith regime was made immediately after the collapse of Portuguese colonialism, when it became clear to him that the Rhodesian position was no longer defensible in military terms without a total commitment of South Africa's resources—an option he rejected as not being in South Africa's best interests. Involvement in the Rhodesian struggle, he feels, would not only entail an open-ended military commitment against the guerrillas, but would stimulate more militant opposition from black South Africans. He also must recognize after Angola that it could induce the African leaders to invite the communist powers to become more directly involved in the area.

But, on the other hand, Mr. Vorster will not apply pressure on Rhodesia by closing his border with that country, or impede the transport of its exports and imports to South Africa's ports, even though this action would be the quickest way of forcing white Rhodesians to accept majority rule. He will refuse to assist in "a quick kill" for two reasons. First, in joining in the international embargo on Rhodesia he would be playing into the hands of the anti-apartheid lobby which advocates sanctions against South Africa. Second, and most important, he must take great care not to arouse the right wing of his own white electorate. Even though the majority of the ruling Afrikaner National Party's supporters appear to accept the reasons for Mr. Vorster's refusal to continue to back the Smith regime, white South Africans are, understandably enough, emotionally involved in the fate of white Rhodesians. Not only do they feel strong kinship, but they also suspect they might be watching a rehearsal for their own coming agony. The *verkrampte* (inward-looking) elements among the Afrikaners—an articulate minority—regard the abandonment by South Africa of the Smith regime as a "betrayal," and they argue that this pragmatic policy will not help South Africa to fight off the black challenge once Rhodesia has been taken over by a black government.

In the approaching denouement of the Rhodesian crisis, the big powers will be kept out of the struggle—if the African strategy works out as intended. Once the guerrillas begin to develop a more pow-

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erful thrust, it is expected that an increasing number of white Rhodesians will begin to trek southward to the South African border to settle either in the Republic or in parts of the white commonwealth. Such an exodus will then demoralize the rest of the white Rhodesians and lead to the collapse of the Smith regime, producing a new white leadership (as in the transition period in Kenya), which will be ready to negotiate acceptable terms for a settlement. That, at least, is the scenario of the Front-Line Presidents. What this picture leaves out of account is the tenacity of white Rhodesian resistance and the possibility of a white backlash in South Africa upsetting Mr. Vorster's more realistic approach to the Rhodesian crisis. It also assumes the unity of the Zimbabwean liberation movement, as well as the ability of the Front-Line Presidents to maintain their present common stand despite the competing interests of the communist powers, as well as those of the Western nations.

Faced with these considerable uncertainties it is futile to speculate about the likely course of events in Rhodesia, but it requires little prescience to suggest that what happens there will decisively affect future developments in the last stronghold of white rule in the continent—the Republic of South Africa.

V

The penultimate element in the southern African pattern—the territory of Namibia (South West Africa)—is directly controlled by South Africa. What happens there obviously depends directly on decisions taken by Pretoria.

Mr. Vorster has announced his decision to go forward with plans to grant full independence under black majority rule to Namibia within two or three years. While broad agreement has already been reached with some black Namibian leaders, headed by Chief Clemens Kapuuo, Mr. Vorster has not been willing to negotiate with the external wing of the South West African People's Organization (SWAPO), although he is reportedly ready to talk to their leaders inside the country as well as with acceptable exile leaders. Endorsement from at least some of the recognized SWAPO leaders is essential to winning international recognition of the new state since SWAPO is recognized by both the United Nations (which holds the mandate over the territory) and by the OAU as the only representative movement of black Namibians.

SWAPO has recently been experiencing internal troubles—the first in the 15 years of its existence. There are a number of reasons for these difficulties. The recent efflux of young Namibians has produced more

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open criticism of some of the exile leaders in the party hierarchy and over the allegedly undemocratic way in which the exile organization is run. SWAPO has also come under pressure in recent months from the Russians, who are known to have offered the exiles' leader, Sam Nujoma, considerable military and economic support on condition that he scale down the aid his organization receives from the Chinese. After their military buildup in Angola, the Russians and the Cubans are obviously in a strong position to make an enticing offer of aid to SWAPO's leaders. So far, the organization has been remarkably successful in avoiding entanglement in the Sino-Soviet dispute; it remains to be seen whether it can continue to maintain a carefully neutral position in the present state of rivalry between Moscow and Peking in southern Africa.

If the South African government remains adamant about dealing with SWAPO, the issue of Namibia is likely to become an increasingly strong magnet for political censure of South Africa and the possibility of external intervention to aid the SWAPO guerrillas will increase. Here, as on the question of Rhodesia, protraction of the uncertainties is also likely to increase the militance of the *verkrampte* right-wing of the South African Nationalist Party and decrease the likelihood of a peaceful transition to majority rule in any of the affected areas.

With regard to South Africa's own situation, Mr. Vorster promised, well over a year ago, changes which would surprise and disarm his critics—"within six months." No one, whether within or outside the country, knew exactly what he meant by this statement, and it aroused a storm of anxiety and speculation in South Africa. The time period having long since elapsed, the most plausible conjecture is that he was referring principally to his active mediation of the Rhodesia dispute, and to his policy of "détente" with black Africa. Mr. Vorster's attempts to win the friendship of African states through offers of economic aid and cooperation have not been very fruitful: the Ivory Coast is the only important black African state to have proved at all responsive; other takers have been Malawi and the Central African Republic. None of these has been reliable political allies in the United Nations or the OAU.

Mr. Vorster may also have been referring to several parallel policies for incremental change in South Africa's domestic institutions. These include the elimination of some of the harsh racially discriminatory measures against urban black South Africans; and, the launching of the Republic's ten black Homelands, or Bantustans, on the road to "independence." The first of the Homelands to achieve

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this form of independence will be the one relatively sizable and integrated area, the Transkei, next October. It is slated to be followed by the smaller areas of BophuthaTswana, Venda and the Ciskei, whose territories include a number of scattered parcels of land. Two other areas, KwaZulu and Gazankulu are headed by influential leaders, Chief Gatsha Buthelezi and Professor Ntsanwisi, who are strongly opposed to the "balkanization" of the country, and presently opposed to "independence" for their own areas.

The future of South Africa's policy of "separate development" depends on whether the partition of the republic into one state embracing two-thirds of the country, and ten black states sharing the rest will offer an acceptable basis for a peaceful settlement between the 18 million Africans and the four million whites. To outside observers this seems an extremely shaky proposition.

VI

In all this, what is the likely future role of the big powers in Africa? In general, the Soviet Union is likely to engage in the most actively aggressive pursuit of influence there, motivated both by a desire to "contain" the spread of Chinese influence and by an interest in building up the Soviet Navy's world role by establishing facilities in the littoral countries along the Indian Ocean and the Mediterranean. In broad political terms, southern Africa has probably now become the most important area of competition, but the secondary arena, the Horn of Africa, will also attract increasing attention and concern.

There the Russians, having established themselves in Somalia, may well use the opportunities presented by the difficulties of post-imperial Ethiopia to enlarge their role in the Horn. Berbera, in Somalia, in fact offers only limited facilities for the Russian Navy. Besides, the Saudi Arabians, concerned about the Russian role in the Red Sea, are known to have been using their economic power to try and persuade the Somalis to end their military reliance on the Russians, as the South Yemenis seem to be doing, and as Sadat has done in Egypt. (It is interesting, incidentally, to note that the Chinese have agreed to provide military assistance to Egypt to make up, in addition to the Americans, what they will lose through the expulsion of the Russians.) Moscow is now engaged in courting the military regime in Ethiopia, which has become uneasy in maintaining relations with its traditional ally, the United States. So far, the Ethiopians have refused to accept Moscow's offer of military aid because of their enmity toward the Russians' ally, Somalia. They have been preferring to rely on economic aid from the

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Chinese, and reluctantly, on military and economic aid from the United States.

Trouble is likely to come to a head in a dispute over the French Territory of the Afars and Issas (known by the name of its port, Djibouti) which will achieve its independence from France next year. Ethiopia will strenuously resist the attempts of the neighboring territory's ethnic Somalis (who are a majority of the population) to cede the new state to Somalia. How far the United States might feel called upon to aid Ethiopia against the Soviet-backed Somalis remains to be seen.

It is in the military strategic competition to establish facilities for the Soviet Navy around the coast of Africa that the Russians are likely to offer their biggest challenge to the NATO powers, as has already become clear in the controversies over the new U.S. and British base in Diego Garcia. However, the Russians still appear to be primarily interested in the northern reaches of the Indian Ocean and the Red Sea. This is their approach route to South and Southeast Asia, which they clearly regard as vital in the context of their preoccupation with what they see as the Chinese interest in developing a world hegemony. Peking, on its side, is greatly concerned about Moscow's growing role in the Indian Ocean; they take this as seriously as the Pentagon or NATO.

It is difficult to write confidently about the long-term interests of China in Africa. Much could change in their world outlook after the death of Mao Tse-tung. Their principal short-term interest is, as already described, to increase their influence in the Third World as a means of reducing Russia's world role. Some observers (other than the Russians) believe that the Chinese, with their much longer historical perspective, are in fact engaged in building themselves up as a future superpower. If so, it is hard to establish this through observing their present behavior.

Their aid is given in an unpatronizing and low-key style that wins widespread acceptance, and most African leaders find the Chinese the most comfortable of the major powers to get along with. But in a situation which requires the ability of a superpower to deliver massive military aid the Chinese cannot compete with the Russians, as is becoming clear in southern Africa.

In this respect, exigencies and strategies for the West and the Chinese in Africa may coincide. The Angolan conflict demonstrated that no Western nation was willing to match the Russian involvement—many Europeans were secretly appalled at U.S. inaction but in no way prepared to get into the fray themselves, while the U.S. polity effec-

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tively vetoed U.S. intervention in a far-flung African civil war, despite the concern of the Administration. The reluctance of citizens in the Western democracies to spend money and lives in southern African conflicts is not likely to decrease in the near future. In Angola, the interests of the black African states which had placed their reliance on the West—namely, Zambia and Zaïre—were defeated, thus diminishing the value of alliances with the West, at least for the time being.

However, African attitudes to a future Russian role in southern Africa are bound to be affected by the part played by both the West and China in the present phase of the Rhodesian struggle and in Namibia. While China's position is one of clear-cut support for the guerrilla struggle, Western policies still remain ambiguous. It will be easier for the West, and the United States, in particular, to respond effectively to the situations in Rhodesia and Namibia than to the future challenge of South Africa.

This was shown by the surprisingly favorable reaction of the Front-Line Presidents to Secretary Kissinger's Lusaka pronouncements on Rhodesian and Namibian independence during his April trip to Africa. The firm declaration of support for majority rule, coming after years of "tilt" in the other direction, was undoubtedly gratifying to the African leaders, and they do not necessarily insist on U.S. military aid for the guerrilla movements. For the time being, a firm U.S. commitment to majority rule is enough, although this could change if the guerrilla conflict drags on indefinitely. On balance, it might seem that U.S. and Western policy during the transition of these two countries to majority rule should focus on economic aid and political support, including pressure on South Africa.

South Africa itself inevitably presents the United States with much more serious dilemmas, and Secretary Kissinger was careful to set apart South African whites from those in Rhodesia as "historically, an African people." U.S. and Western investment in South Africa constitutes a form of support for that country and implicitly for the status quo there. In addition the United States has functioned, with Britain and France, as the main protector of South Africa at the United Nations for the past half-decade or so.

In the long run the U.S. economic involvement may force a difficult choice. If no satisfactory way can be found to use the economic leverage to encourage internal political change in the Republic, the United States may have to choose between its interests in South Africa and in the rest of the continent. In the short run, the independence of the Homelands will create other dilemmas. The recognition of the Homelands as independent nations could enable the United States

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to pour in economic aid to South African blacks. On the other hand, support of what is at present a highly inequitable scheme to bulwark the policy of separate development could once again place the United States on the side of the status quo and against those seeking change and justice. At the moment the OAU is strongly opposed to official recognition of the Homelands.

The Russians and the Chinese are likely to consider this sort of issue arcane in contrast to the primacy of the revolutionary struggle, and to focus on their rivalry for influence with the liberation movements. The implicit alliance between the West and China will continue, however, in the face of their shared desire to impede Russian interests. The West could capitalize on this common interest by joining the Chinese in continuing support for a major political goal of the OAU —preventing outside powers from usurping the sovereignty of African nations. In the long run this dearly held tenet is likely to be overriding in southern Africa, but what happens in the meantime will be very important in shaping the future relations of all the great powers with the independent regimes that emerge.

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A MARKET-SHARING APPROACH TO THE WORLD NUCLEAR SALES PROBLEM

By Abraham A. Ribicoff

AN unanticipated development in the world nuclear marketplace has suddenly transformed the problem of nuclear proliferation from a potential to an immediate danger. The recent decisions by West Germany and France to sell nuclear fuel facilities to Brazil and Pakistan, respectively, mark the first sharp divergence by major industrial nations from long-established U.S. nonproliferation policy. The cornerstone of this policy has been the general practice of exporting power reactors and low-enriched uranium fuel, neither of which can be applied directly to weapons-making, and of not exporting nuclear fuel plants capable of enriching uranium and reprocessing plutonium in a form suitable for direct use in atomic bombs.

The United States failed to anticipate these sales and has been ineffective in seeking to persuade Germany and France not to proceed with them. This indicates a serious weakness in the execution of American nonproliferation policy, which if left uncorrected, could result in the rapid spread of nuclear weapons material and capability around the world.

II

U.S. exports of nuclear technology, equipment and material currently dominate 70 percent of the world market. We require the customer nations to pledge that our nuclear assistance will be used for peaceful purposes, the most important of which is generating electricity. The turbines of the average nuclear power plant sold today generate one billion watts of electricity, enough to serve a city of one million people. The nuclear core of the power plant generates 500 pounds of plutonium a year, which if separated from spent fuel, is enough bomb material to devastate several cities of that size.

As the principal developer and promoter of nuclear power plants,

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the United States has sought to keep the plutonium generated by these plants out of the hands of our customers by refusing to sell them reprocessing plants or technology. Such plants are used to chemically separate plutonium—readily usable in a weapons development program—from the "ashes" of the reactor fuel. The policy has also reflected the fact that there has been no commercial justification for such plants because there is no present need to recycle plutonium as reactor fuel.

In addition, at what is sometimes called the "front end" of the nuclear fuel cycle, the United States has all along refrained from sharing the plants or technology for the enrichment of uranium. The degree of enrichment required to fuel the American-designed light water reactor is low, but a uranium enrichment plant is capable of producing weapons-grade uranium.

Over the past few years, however, several U.S. actions have served to undermine the influence of this policy, and to encourage the export of reprocessing and uranium enrichment plants:

First, the United States abandoned its initial policy to provide complete fuel cycle services with the reactors that we sell. The original regulations of the Atomic Energy Commission provided for the reprocessing of the spent fuel of all reactors sold abroad, and for the disposal of highly radioactive wastes, in AEC facilities. However, this policy was implemented only for research reactors, not power reactors, thereby making clear to purchasers of nuclear power plants that the spent fuel was theirs to keep.[1]

Second, the United States failed to increase the capacity of its uranium enrichment plants to keep pace with worldwide demand for reactor fuel, thereby casting doubt as to our traditional role as a reliable supplier. In 1974, the AEC, shortly before it was abolished, announced it would not be able to accept uranium enrichment orders for nuclear power plants sold after that year. West Germany, France and other European countries had by then already entered into substantial programs for uranium enrichment, and the American failure to increase our own enrichment capacity contributed further to the diversification of available sources not only of domestic uranium enrichment services, but for the possible export of plants and technology.

Third, the United States has sold substantial amounts of plutonium and weapons-grade uranium to advanced industrial nations, even to the apartheid government of South Africa, while refusing to export

[1] U.S. Energy Research and Development Administration, *Final Environmental Statement, U.S. Nuclear Power Export Activities,* Washington, April 1976, p. 14–5.

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such material to developing nations.[2] Although the material sold has been intended for research and development purposes, this export policy strikes some Third World nations as galling.

Fourth, although the United States had taken the lead in getting the Treaty on the Nonproliferation of Nuclear Weapons (NPT) that came into effect in 1970, it set a bad example by agreeing to engage in nuclear trade with nations that had refused to ratify the NPT and were thus under no treaty obligation not to produce nuclear weapons (or to accept safeguards on all their nuclear activities). Of the 29 U.S. agreements for nuclear cooperation with other countries, no less than 13 are with non-NPT nations.[3] This policy represents a form of "tunnel vision" in which the United States focuses on getting agreement for safeguards—applied through the International Atomic Energy Agency (IAEA)—on specific exported equipment and material, but not on *all* activities in a recipient nation.[4]

Fifth, although U.S. trade with non-NPT nations has been limited to sales of reactors and low-enriched fuels, we did not originally seek commitments from France and West Germany to follow the same policy. This could have been made a condition of their obtaining our technology, equipment and fuel for the development of their own nuclear industries. Now they are free to offer plutonium reprocessing and uranium enrichment plants to non-NPT nations as an incentive to buy U.S.-design reactors made in West Germany or France.

Sixth, although the United States has been the world's leading nuclear-technology nation, we have not developed—even within our own country—material-accounting and physical security safeguards

[2] For data on U.S. exports of plutonium and high-enriched uranium to specific countries, see correspondence between David Lilienthal and Glenn Seaborg submitted for the record by David Lilienthal, and subsequent data submitted for the record by Secretary of State Kissinger, *Hearings of the Senate Committee on Government Operations, the Export Reorganization Act of 1976,* Washington: GPO, January and March, 1976 (hereafter referred to as Senate Government Operations Committee Hearings), in press.

[3] *United States Agreements for Cooperation in Atomic Energy,* an analysis prepared for the Senate Committee on Government Operations by Dr. Warren H. Donnelly, Senior Specialist—Energy, Congressional Research Service, Library of Congress, Washington: GPO, 1975, p. 55, Table II—List of Agreement Nations and Their NPT Status.

[4] The most current example of this problem is the pending application by General Electric to export two power reactors of nearly 1,000 megawatts electric (MWe) each to South Africa, a non-NPT nation. The reactors would be safeguarded by the IAEA, but other nuclear activities in South Africa would not, including a uranium enrichment plant. The United States is heavily involved in the South African nuclear program, having exported computers for use in the unsafeguarded enrichment plant and having committed itself to provide enrichment services for power reactors of up to a maximum capacity of 2,000 MWe, regardless of which nation supplies them. France and Germany are competing strongly for these reactor sales in the hope that the United States will be blocked at home from proceeding with the exports.

The United States also has supplied South Africa about 200 pounds of weapons-grade uranium as fuel for a safeguarded research reactor (the equivalent of 10 bombs) and is committed to supply an additional 100 pounds.

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capable of reducing risks of diversion, theft and sabotage to acceptable levels. Yet the United States accepted less rigorous IAEA safeguards and bookkeeping systems demanded by West Germany and Japan as the price of winning widest possible adherence to the NPT.[5] Nuclear material accounting is particularly primitive, and several experts consider it not difficult to divert small, but strategically significant, amounts of weapons-grade material under the measurement and bookkeeping systems presently used by the United States and the IAEA. These experts also believe that should reprocessing and enrichment plants proliferate on a national basis, the IAEA will be unable to apply safeguards capable of detecting a diversion of weapons-grade material in time to prevent fabrication of nuclear weapons.[6] Under these circumstances, there can be no mutual trust in the international nuclear community if national production and stockpiling of plutonium is permitted to proceed.

Seventh, the United States did not rebuke India when it set off a nuclear explosion in 1974, utilizing plutonium from a Canadian-supplied research reactor that, in turn, used U.S.-supplied heavy water. The reactor predated the IAEA and had never been placed under the Agency's safeguards. Canada relied on a peaceful-use clause in its agreement with India, but India refused to accept Canada's assertion that a nuclear explosion was a non-peaceful application of its nuclear assistance. The United States now has an agreement with India requiring "civil use" of two U.S.-supplied power reactors. But the export of heavy water had been made before negotiation of the agreement and was not included in it, apparently at India's insistence. The Indian explosion, therefore, was deemed not to be in violation of the civil-use provision.

In response to the Indian explosion, Canada cut off nuclear exports to India, a move that was expected to be only temporary because it was not joined by the United States. But Canada recently surprised the international community by announcing that it would continue its nuclear boycott until India agreed to accept IAEA safeguards on,

[5] Robert Pendlay and Lawrence Scheinman (with collaboration of Richard W. Butler), "International Safeguarding as Institutionalized Collective Behavior," *International Organization,* Summer 1975, pp. 612–16.

[6] For authoritative discussion of safeguard problems, see General Accounting Office report, *Role of the International Atomic Energy Agency in Safeguarding Nuclear Material,* ID 75-65, July 3, 1975; unclassified digest of GAO report, *U.S. International Nuclear Safeguards—Are They Being Effectively Exercised?* ID 76-21, February 9, 1976; Remarks of Victor Gilinsky, Commissioner, Nuclear Regulatory Commission, at the Conference on Nuclear Safeguards, Atomic Industrial Forum, April 12, 1976 (NRC press release S-5-76); Response of Lawrence Scheinman, International Affairs Division, Energy Research and Development Administration, to my questions for the record, Senate Government Operations Committee Hearings; *Nuclear Weapons Proliferation and the International Atomic Energy Agency,* a report prepared for the Senate Committee on Government Operations by Warren H. Donnelly, Washington: GPO, 1976.

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and to make a no-explosion pledge with respect to, all Canadian nuclear assistance—past, present and future. Canada, therefore, becomes the first nuclear supplier to place itself at a commercial disadvantage by cutting off exports in an effort to curb weapons proliferation—an example that serves to discredit U.S. nonproliferation policy.

The United States, for its part, has not generally made known our export to India of heavy water for use in the Canadian-supplied reactor. Instead, the State Department is maintaining normal nuclear relations with India and is seeking to continue supplying enriched uranium fuel to the two power reactors, over objections raised in an environmental suit and by several Members of Congress. Continued U.S. inaction establishes a precedent that may encourage other non-NPT nations to set off peaceful nuclear explosions (PNEs).[7]

The loss of the original American monopoly in nuclear technology was probably inevitable. But the United States now finds itself at a competitive disadvantage, in a rapidly proliferating world, for reasons largely of its own making. The sum total of these recent developments has greatly weakened American leverage, increased the incentives for others to engage in sensitive export activities, and left IAEA safeguards in an unsatisfactory position. It is against this background that the West German and French sales were made.

While both the West German sale to Brazil and the French sale to Pakistan are expressly subject to IAEA safeguards, neither France, Pakistan nor Brazil are signatories of the NPT and the very existence of enrichment and reprocessing capacity in Third World countries is a profoundly dangerous development. The agreements do provide for the extension of IAEA safeguards to any domestic copy of the imported plants, as well as to the imported plants themselves, and the French and Germans assert that the safeguards will thus be sufficient to prevent the recipient nations from building an unsafeguarded plant or from diverting weapons quantities of material from a safeguarded fuel plant. However, such a presumption goes beyond what can be reasonably expected under safeguards and is disputed by a growing number of independent experts and government officials familiar with the situation.[8]

Unless a way can be found to bring about the cancellation of the ill-advised exports of fuel facilities to Brazil and Pakistan, other

[7] It is speculated in arms control circles that India is subtly blackmailing the United States by reason of 1,000 pounds of plutonium that have accumulated in the spent fuel of these power reactors—plutonium over which India can take control if it deems the United States to be in abrogation of its fuel-supply agreement. At the very least, the United States should consider exercising an option to buy back the plutonium generated by these power reactors.

[8] See sources cited in footnote 6, above, particularly Gilinsky.

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Third World countries are likely to order them. Germany is now known to be negotiating such a transaction with Iran, which as a party to the NPT views the withholding of any nuclear assistance as a violation of its right, under the Treaty, to access to peaceful nuclear technology on a nondiscriminatory basis.[9] Furthermore, unless a way can be found to make clear to non-NPT nations that the United States will react adversely to any additional nuclear explosions, such explosions may become an attractive way for developing nations to seek prestige abroad and greater support at home.

Some developing nations now seeking to establish nuclear programs, complete with their own fuel facilities, must be considered as potential nuclear-weapons countries either because they have refused to ratify the NPT—Argentina, Brazil, India, Pakistan, South Africa, Egypt and Israel—or because of national security considerations that could override their obligations under the NPT—South Korea, Iran, Libya and Taiwan. To give a sense of the quantitative dimensions of the problem, by 1990 nuclear power plants in the less-developed countries may be generating 30,000 pounds of plutonium a year—the equivalent of 3,000 atomic bombs.[10] Plutonium is also extremely toxic: government safeguards specialists estimate that between 10 and 100 *grams* of plutonium oxide powder, dispersed through a ventilation system, is sufficient to kill thousands of occupants of a large office building.

Little time remains to correct the present dangerous situation. But there may still be time so long as most of the plutonium produced in civilian power reactors remains unseparated from spent fuel, and if the capacity to enrich uranium can be harnessed and internationally controlled.

In essence, an international system must be devised that encourages the sale of reactors to meet legitimate energy needs without proliferating the capability and material to develop nuclear weapons. Although

[9] Article IV of the Treaty states that: "Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of this Treaty." On the other hand, Article I of the Treaty obligates the United States, as a nuclear weapon state "not in any way to assist, encourage, or induce any non-weapon state to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices. . . ." In any event, it is reasonable for the United States to make clear to other supplier nations that the Treaty does not require them to do foolish things that will increase proliferation, when effective alternatives are available. For further discussion of this point, and a general analysis of U.S. obligations under the NPT, see testimony of Adrian S. Fisher, a principal U.S. negotiator of the Treaty, Senate Government Operations Committee Hearings, *op. cit.*

[10] Richard J. Barber Associates, Inc., *LDC Nuclear Power Prospects, 1975–1990: Commercial Economic and Security Implications* (ERDA-52), Washington, 1975, Figure V-1. This table is reproduced in *Facts on Nuclear Proliferation—A Handbook,* prepared for the Senate Committee on Government Operations by the Congressional Research Service, Library of Congress, Washington: GPO, 1975, p. 198.

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the United States does not have the leverage that it had in the recent past to bring about such a system, it still retains considerable influence and power to attain nonproliferation objectives.

The key to solving the proliferation problem is to prevent the spread of national capabilities to produce nuclear explosive materials. The spread of nuclear technology may be inevitable, but it is needlessly hastened in the developing world by supply arrangements with industrial nations. It is incumbent upon the industrial nations, therefore, to bring the dangerous elements of the nuclear fuel cycle—uranium enrichment and plutonium reprocessing—under meaningful international control.

III

The greatest obstacle today to achieving this control is the projected shortage of enriched uranium, which encourages the export of enrichment and reprocessing plants, presumably to ensure an adequate fuel supply for nuclear power plants.

The present U.S. approach to dealing with this shortage of enriched uranium is to permit a consortium of three American corporations, Uranium Enrichment Associates, to build a gaseous diffusion plant in Dothan, Alabama, with participation by French, German, Iranian and Japanese commercial interests as well. In addition, the U.S. government is apparently, though not formally, committed to expanding the capacity of one of three government-owned enrichment plants for production of commercial reactor fuel.[11]

Assuming congressional approval of, and foreign participation in, the plan—and these are by no means assured—the price paid for increasing the reactor fuel supply will be to permit a major expansion of private control over the production of nuclear energy. Advocates of this approach state that it will promote interdependence among the major nuclear nations—Iran being included on the basis of its intention to develop a large nuclear power industry—which, in turn, will serve to promote nonproliferation objectives. However, there appear to be no firm commitments on the nonproliferation front.

For example, are each of the participating supplier countries prepared to agree not to export nuclear fuel facilities on a national basis as a condition of their participation in the U.S.-sponsored enrichment venture? Or are they planning to use the additional supply of enriched uranium from the United States to meet domestic needs, while con-

[11] U.S. Energy Research and Development Administration, *Expansion of U.S. Uranium Enrichment Capacity—Final Environmental Statement* (ERDA-1543), Washington, 1976, and *Nuclear Fuel Cycle; A Report by the Fuel Cycle Task Force* (ERDA-33), Washington, 1975. These and similar documents are available from the National Technical Information Service, Washington.

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tinuing to offer enrichment and reprocessing plants with the reactors that they sell abroad? Without firm nonproliferation commitments from the parties to this multinational venture, it must be assumed that the other suppliers, particularly France and Germany, are not prepared to alter their present dangerous export policies.[12]

The best course would be to place the question of building a multinational enrichment plant in the United States on the agenda of the nuclear suppliers conference, which is to resume in London this June.[13] The *governments* should work out nonproliferation commitments that will be binding on the *commercial* interests of all parties as a condition of proceeding with this venture.

The basic commitment should be an agreement among the parties that the increased supply of enriched uranium provided by this plant would be used to the degree necessary to supply fuel for sales of exported reactors by the participating countries, and that these countries would refrain from providing enrichment and reprocessing plants with reactor sales, or otherwise. (A parallel undertaking should be sought from potential suppliers not participating directly in the Dothan plant.) Each nation's export program, therefore, would be limited to the number of reactors for which long-term fuel commitments can be provided.

With respect to Iran, a recipient nation, there should be a binding commitment to use the enriched uranium domestically and not to build or to import an enrichment or reprocessing plant. Iran, in turn, would have to be assured a reliable supply of uranium in order to forego proceeding with its own fuel facilities. There is no reason such assurances cannot be given by the United States and the other suppliers on condition that Iran continues to live up to its NPT commitments to place all nuclear activities under IAEA safeguards and not to develop a nuclear explosion program.

IV

Perhaps even more important from a nonproliferation perspective is the question of reprocessing the plutonium that will be generated by power reactors as part of the spent fuel. This problem is compli-

[12] For details of German nuclear export policy see the translation of an article from the March 15, 1976, issue of *Der Spiegel*, "Booming Business or Business with the Bomb?" *Congressional Record* of April 26, 1976, pp. S5873–79. For French nuclear export policy, see Jean Sauvagnargues, *France's Policy on Exporting Nuclear Material and Technology*, Statement before the National Assembly Foreign Affairs Committee, April 8, 1976.

[13] The original members of the suppliers conference were the United States, the U.S.S.R., the United Kingdom, France, the Federal Republic of Germany, Japan and Canada. For the resumed talks this June, the Netherlands, Sweden, Belgium, Italy, East Germany and Poland have also been invited.

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cated by the fact that no steps have been taken to implement Article 12(A)(5) of the IAEA statute authorizing the Agency to regulate reprocessing and to require deposit with the Agency of any plutonium in excess of the commercial needs of a country—that is, in excess of what is needed for recycling as reactor fuel.

The IAEA is not prepared to implement this provision without the strong backing of the major supplier nations. The United States, therefore, has an opportunity to use the proposed multinational enrichment venture as a lever for moving under multinational auspices the "back end" of the nuclear fuel cycle as well, i.e., the reprocessing of plutonium and the permanent disposal of highly radioactive waste by-products that cannot be reclaimed from spent reactor fuel.[14]

In this regard, the United States should propose that the plutonium reprocessing plant now in final stages of construction at Barnwell, South Carolina, be made available as a multinational facility for servicing the spent fuel of foreign reactors as well as our own. I wish to stress that this is *not* a proposal for immediate reprocessing of spent fuel—a step that should not be taken until there is a real commercial need for recycled plutonium and until safeguards have been upgraded sufficiently to prevent the resulting weapons-grade material from being diverted by nations or stolen by terrorists. The pending decision of the Nuclear Regulatory Commission on whether to approve the use of plutonium as a reactor fuel involves a landmark consideration of these difficult questions.[15]

Rather, the Barnwell plant can be used initially as a spent-fuel storage area to be managed and safeguarded by the IAEA pursuant to Article 12 of the Agency statute. As an incentive for nations to deposit their spent fuel at Barnwell, the United States and the other parties to the multinational enrichment plant can offer to replace the unseparated plutonium in the deposited spent fuel with an equivalent

[14] While the proposals in this article do not deal specifically with the question of permanent waste disposal—a question which is indeed vital—it is my strong hope that the type of multinational cooperation here advocated would lend itself to early common resolution of the technical and practical problems involved. In the meantime the plan I am proposing would at least prevent waste by-products from being scattered, and would put most or all of them under IAEA control.

[15] Opposition to plutonium recycle is broadly based. Environmental arguments are summarized in J. Gustave Speth, Arthur R. Tamplin and Thomas B. Cochran (of the Natural Resources Defense Council), "Plutonium Recycle: The Fateful Step," *Bulletin of the Atomic Scientists,* November 1975, pp. 15–22, and economic objections in Marvin Resnikoff, "Is Reprocessing Cost-Justified?" *Environment,* July–August 1975. Last fall, National Public Radio disclosed what was apparently the authentic text of an internal report of the Edison Electric Institute, a trade association representing privately owned utilities, which stated: "The U.S. utility industry should regard reprocessing and recycle of plutonium and uranium as matters both of marginal economic interest or value and not clearly central to the economic viability or public acceptance of nuclear power. Indeed they may be negative on both counts." NPR Press Release, September 24, 1975.

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amount of low-enriched uranium fuel suitable for use in reactors, but unsuitable for use as weapons material. The unrecovered plutonium would be held as a potential long-term fuel resource, and any out-of-pocket cost of supplying the substitute enriched uranium could be underwritten by the participating governments.

Such an agreement should not be as hard to achieve as it may appear at first glance. There is already a multinational arrangement for spent-fuel reprocessing among the three principal European suppliers—Great Britain, Germany and France. The resulting joint company, United Reprocessors, will be used for allocating reprocessing contracts on a rotating basis among the British Windscale plant, the French La Hague plant and the projected German PWK/KEWA plant. This approach to eliminating competition in the supply of reprocessing services has been approved by the Commission of the European Economic Community as an acceptable form of industrial concentration, compatible with the anti-cartel laws of the Treaty of Rome. The arrangement includes the use of a single transporter, Transnucleare, to handle all transportation of plutonium serviced by United Reprocessors.[16]

The arrangement has not been implemented yet because of technical difficulties encountered at the British plant and siting problems with the German plant. There is time, therefore, for the United States to explore whether the Barnwell plant, itself delayed because of strong opposition by environmentalists to the start-up of actual commercial reprocessing, can be tied into the Anglo-French-German cooperative effort on a storage-only basis.

I propose that the United States place the highest priority on achieving such an arrangement for enrichment and spent-fuel storage at the suppliers meeting because it could provide the needed connection between the front and back ends of the nuclear fuel cycle. This connection could then provide the basis for meaningful ground rules among the suppliers to provide complete nuclear fuel services on a cheap, reliable, nondiscriminatory basis to their reactor customers in lieu of exporting enrichment and reprocessing plants. The dangerous open-ended nuclear fuel cycle will at last have been safely closed.

V

Specifically, the suppliers are now in a position to arrange cooperatively for the supply of enriched uranium from the proposed multinational facility to be built in the United States and from two

[16] For details of this arrangement, and on nuclear market-sharing in general, see the testimony of Lawrence Scheinman, Senate Government Operations Committee Hearings, *op. cit.*

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other multinational enrichment projects now under construction in Europe. One venture, URENCO, a consortium of British, Dutch and German companies, involves the construction of centrifuge plants in Almelo, Holland, and Capenhurst, England. The other venture, EURODIF, involves the construction of a gaseous diffusion plant in Tricastin, France, by a consortium of French, Belgian, Italian, Spanish, Japanese and Iranian interests. These plants are scheduled to be in full production by the early 1980s.[17] The Soviet Union could be a participant as well because its enrichment capacity is now second only to that of the United States.

The American objective should be an arrangement that invites the widest possible international participation in these enrichment ventures by user nations which, in return for obtaining low-enriched uranium under the most favorable terms, would be prepared to deposit their spent fuel under IAEA control at the reprocessing plants affiliated with United Reprocessors or a successor company that includes participation of the Barnwell plant in the United States. And there would be the added incentive, as discussed above, that part of the uranium enrichment services will be provided to customer nations as a credit for the plutonium contained in the spent fuel that they deposit.

With this type of coordination among the suppliers, it should be possible to reach several nonproliferation objectives.

First, without fear of being placed at a competitive disadvantage, each supplier can agree to delay the start of reprocessing until there is a clear commercial need for recycled plutonium and until the political and technical systems have been established for preventing diversion of plutonium by nations or theft by terrorists.

Second, although uranium enrichment will be available under multinational auspices, individual customers should be able to enter into bilateral fuel contracts with individual suppliers. This eliminates the possibility that a customer nation could be cut off from reactor fuel by a single-minded supplier cartel. Sufficient diversity of supply can be built into the multinational system to prevent such a contingency.

Third, any stockpiles of highly enriched uranium or separated plutonium at these multinational plants can be placed under the management and control of the IAEA. Such a system will deny sovereignty over commercially produced weapons-grade material to all

[17] Estimates of world enrichment capacity can be found in ERDA-1543, cited in footnote 11, and in a report of the Organization for Economic Cooperation and Development and other international agencies, *Uranium: Resources, Production and Demand,* Paris: OECD, 1976, p. 66.

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nations, not just to customer nations. This provides an element of symmetry that is important to nations of the Third World and essential for winning their assent to such a system.

Fourth, these cooperative arrangements over existing enrichment technology can be extended to new technology as it is developed—particularly the use of lasers to separate the fissionable isotope of uranium 235 from natural uranium 238. Laser isotope separation, as this new technology is called, is particularly sensitive from the proliferation standpoint because, once developed, it can be employed on a small scale to produce significant amounts of weapons-grade uranium. It is essential, therefore, that institutional arrangements be made now among the suppliers that can be applied to promote multinational utilization, and to prohibit national export, of this dangerous technology.

Fifth, under a multinational system in which spent fuel is deposited with the IAEA in return for equivalent low-enriched uranium, nations unwilling to participate in the system would identify themselves as having nuclear weapons intentions and could be isolated by participating nations. If all major suppliers could be brought into the system, then a ban on the export of fuel facilities to individual nations is possible, as well as a ban on all nuclear assistance to nations that refuse to ratify the Nonproliferation Treaty or to enter into comparable commitments with the IAEA regarding universally applied safeguards and a ban on nuclear explosions.

VI

Is it practical to assume that such a cooperative system can be achieved through a conference of fiercely competitive suppliers? I believe that it is possible, but only if sufficient incentives can be provided by the United States to win the participation of all the other suppliers.

The problem is that the more the other suppliers cooperate in providing fuel services for exported reactors, the more they are promoting the traditional incentive to buy American reactors—that is, the reliable supply of cheap nuclear fuel. Why should the Germans and the French give up the "sweetener" they are now using to promote the sale of their reactors—namely enrichment and reprocessing plants—in order to help promote the "sweetener" for American reactors—namely cheap fuel?

The heart of the problem, therefore, is the underlying competition to sell reactors. If the United States can devise a plan for eliminating the dangerous element of this competition that leads to the sale of fuel

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facilities, the international nuclear fuel cycle can yet be brought under effective control. If such a plan cannot be devised, the prospect is for the continued sale of nuclear fuel facilities, the proliferation of weapons-grade material and a high risk of worldwide nuclear anarchy and violence.

The institutions and commercial base already exist, as indicated above, for establishing cooperative arrangements among the suppliers to provide complete fuel services for the reactors that they sell abroad. What is still needed, however, is a political system for ensuring that no supplier is placed at a commercial disadvantage by offering fuel instead of fuel facilities to potential reactor customers.

The suppliers conference, which was convened last year at the initiative of the United States in response to India's peaceful nuclear explosion of 1974, provides a suitable forum for taking positive steps to establish such a system. Thus far, however, the conference has been used primarily for negative purposes—that is, to seek to negotiate voluntary restrictions on the types of nuclear items to be exported as well as to establish criteria that prospective customers would have to meet to ensure that these exports and any indigenous nuclear activities will not be applied to any kind of nuclear explosion program. Meaningful restraints have not been agreed to, however, because of the commercial considerations noted above.

I propose that at the suppliers meeting the United States, in order to help overcome these commercial obstacles, offer to enter into positive arrangements to share the world reactor market on an equitable basis. Unless the United States is prepared to enter into such an arrangement—and implicitly to accept a smaller share of the world reactor market as the price of achieving nonproliferation objectives—the other suppliers will continue to suspect that our nonproliferation proposals are designed to promote the sale of American reactors and to preserve American domination of the nuclear marketplace.

I make this proposal fully aware of the complex legal, technical and political problems that it raises. I do not believe, however, that these problems are of such a magnitude that they cannot be overcome in the overriding interest of preventing the global spread of nuclear weapons capability. In fact, this proposal is based on the assumption that all of the major suppliers share a deep concern about proliferation and are prepared to deal with it effectively if their legitimate desire to preserve tens of thousands of jobs and billions of dollars in prospective reactor sales can be satisfied.

Let us examine various options for putting a market-sharing arrangement into effect, and then address the major objections that

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might be urged against such an arrangement.

One possible approach would be to divide the world into regions and to allocate different regions to different supplier nations. Article 6 of the IAEA statute divides the world into regions for the purpose of determining representation on the Board of Governors, and this breakdown could serve as the basis for a regional approach to market-sharing.

This would probably be the most objectionable method of allocating the reactor market. Sharp variations in demand for nuclear power plants among the various regions would place some suppliers in a much stronger commercial position than others. Furthermore, this approach would recall the "spheres of influence" of a past imperialist era, which would be objectionable to many nations of the Third World. Generally, there would be serious political and legal difficulties in placing particular customer nations in the position of having to deal exclusively with, and accept the reactor technology of, particular supplier nations, solely on the basis of a regional division of the reactor market. Customers may have a strong preference between the two types of reactors sold today—the light water and heavy water reactors, and the fuels that these reactors require, enriched uranium and natural uranium, respectively. The preference of parties to the Nonproliferation Treaty would seem to be guaranteed by Article IV, giving them access to nuclear technology on a nondiscriminatory basis.

Another approach would be to divide the market on the basis of long-term projections of the type and size of reactors that will be sought by each potential buyer. The supplier would then be in a position to agree on which supplier would provide which type and size of reactor, perhaps with limited competition permitted between suppliers in providing certain categories of reactors to preserve a degree of diversity in the market. Any such competition, however, would be limited by a particular supplier's ability to fulfill a certain number of orders at a time and to provide complete fuel services for each reactor sold.

The main problem with this approach is that there is simply not enough diversity (or evenness of appeal) in the sizes and designs of reactors. The number of categories of marketable reactors appears to be limited today by the fact that only the larger size reactors—in the area of 1,000 megawatts electric (MWe)—have sufficient economies of scale to operate efficiently. Smaller reactors are deemed by U.S. manufacturers to be too costly in relation to the electricity they produce, and are not being offered for sale. Currently, the French are seeking to sell what they claim to be an efficient barge-mounted

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nuclear power plant of 100 MWe capacity. Until this can be demonstrated, however, the economy-of-scale disadvantage of smaller nuclear power plants may serve to limit the number of orders for such reactors from the developing countries, many of which do not have the electrical grid systems or the power needs to justify the purchase of 1,000 MWe facilities.

A third possible approach might be based on agreed minimum sales for each supplier country, or an agreed quantitative sharing of reactor orders. Under this approach, each supplier would be guaranteed a minimum number of reactor sales a year, or a pro rata share of the reactor market, based largely on the supplier's actual productive capacity. Ideally, the market would be divided in such a way that each supplier would be able to sell the maximum number of reactors which it is able to produce and for which complete fuel services can be provided. If the market could not support the maximum capacity of each supplier, sales quotas would be cut back generally in proportion to each supplier's productive capacity as a percentage of the total capacity of the suppliers.

Orders could be placed by the purchasing countries through the IAEA, which would forward them to the suppliers group along with the purchaser's preference of reactor type and manufacturer. A problem with this approach might be the inability of the suppliers group to match the purchaser nation's choice of reactor and manufacturer, particularly if a certain supplier nation's quota for a given year had been filled by the time the order was placed.

The minimum-sales approach may be the most feasible form of market-sharing, however, because it appears to permit the greatest flexibility in matching reactor orders and reactor sales. Much of the uncertainty could be eliminated if reactor orders for a given year had to be placed with the IAEA on a quarterly, semiannual or annual basis, thereby permitting the orders to be divided among the suppliers *en bloc* rather than as orders are received throughout the year.

A greater problem may be encountered when negotiating the formula that would determine what each supplier's minimum annual sales should be. If productive capacity alone is to be the determining factor, the U.S. quota would be about half the market, based on present U.S. capacity to produce as many essential components of a nuclear power plant as all the other suppliers combined.[18] These com-

[18] Barber Report, *op. cit.*, Figure IV-4, U.S. Production and Demand Requirements for Major Nuclear Power Plant Equipment, and Figure IV-5, Heavy Equipment Production Requirements, Capacities, and Capacity Utilization in Japan. These tables are reproduced in *Facts on Nuclear Proliferation, op. cit.*, pp. 202–203.

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ponents are the steel pressure vessel surrounding the reactor, the turbine generator and, in the case of the pressurized version of the light water reactor, the steam generator.

However, it does not take much productive capacity to corner the lion's share of today's world nuclear market. The industrial nations have passed the peak of their domestic reactor programs, and the developing nations, which were expected to comprise the next generation of reactor customers, have been slow in placing orders because construction costs have become prohibitively high and commercial application to meet their still limited energy needs is too low.[19]

As a result, only 18 orders were placed for nuclear power plants outside the United States last year.[20] Of these, just four, or 22 percent, were placed with United States companies, compared with six, or 33 percent, placed with German firms; five, or 28 percent, with the Soviet manufacturer, and one each with companies in Switzerland, Sweden and Japan. Thus, the U.S. share of reactors to be built abroad was far smaller than our traditional 70 percent share.

However, when viewing the world market from the perspective of how many reactors were *exported* by each supplier, as distinguished from those built domestically, then the total number of orders was reduced to eight, of which the United States had four, or 50 percent of the market. Germany was in second place with three export orders. The remaining export order was placed with Switzerland. These were all firm orders. However, letters of intent or similar commitments were received by Germany for export of eight additional reactors and by France for two reactors.[21]

[19] For further details, see Barber Report, *op. cit.*, Chapter II: Comparative Costs: Nuclear vs. Conventional Power; also, International Atomic Energy Agency, *Market Survey for Nuclear Power in Developing Countries*, 1974 ed., Vienna: IAEA, 1974. (The Barber Report contends that the IAEA estimates are overly optimistic.)

[20] Testimony of Dwight Porter, Westinghouse Electric Corporation, Senate Government Operations Committee Hearings, *op. cit.*

[21] The complete data, as furnished by the State Department, for nuclear power plants outside the United States either contracted for or announced for contracting during 1975, are as follows:

Customer	*No. of Nuclear Power Units*	*Supplier*
Spain	2	Westinghouse (U.S.)
Spain	2	General Electric (U.S.)
Spain	1	Kraftwerk (Germany)
Brazil	2	Kraftwerk (Germany)
FRG (Germany)	3	Kraftwerk (Germany)
Luxembourg	1	Brown, Boveri (Switzerland)
Sweden	1	ASEA (Sweden)
Japan	1	Mitsubishi (Japan)
Soviet Union	5	Soviet manufacturer

In addition to the above firm commitments, there are a number of projects for which a letter of intent or a similar commitment has been made or which has been announced at a governmental level. These include the sale by France of two reactors to Iran, the sale by Germany of two reactors to Iran and the sale by Germany of up to eight reactors to Brazil, two of which are included in the above total.

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It should be apparent, therefore, that the other suppliers, particularly West Germany and France, will not find acceptable a market-sharing arrangement with the United States having a 50 percent share based on productive capacity. They will want an arrangement that more closely approximates the actual shares of the present export market.

If market-sharing is to work, the United States will have to accept a compromise that will leave it with a smaller share of the market than it has capacity to fill. This will be a bitter pill for the American nuclear industry because it has been looking to the export market to make up for sharply declining reactor sales at home. Only seven new orders were placed in 1975 for reactors to be built in the United States, compared with 27 in 1974 and 36 in 1973.

The United States has as legitimate an interest in preserving the tens of thousands of jobs and billions in revenues connected with its nuclear industry as do Germany and France with respect to theirs. The negotiation of market shares, therefore, can be expected to be very difficult, but no less worthwhile because of the difficulty. It is better that the energies of our diplomats be expended in this manner, to eliminate the sale of enrichment and reprocessing plants, than in negotiating safeguards agreements that many experts believe will serve to promote the sale of these plants without providing adequate protection against diversion of weapons-grade material.

If the United States is prepared to make commercial concessions, bearing in mind, as discussed above, that past policy errors contributed to the present dangerous situation, and if the other suppliers, particularly Germany, are prepared to forego some of the fruits of unrestricted competition in the interest of curbing the spread of nuclear weapons, I believe that the negotiation of an equitable market-sharing system can be achieved.

VII

It is clear that complex problems are raised by the concept of market-sharing. A principal advocate, Dr. Lawrence Scheinman of the Energy Research and Development Administration (ERDA), states that "a number of the traditional arguments against market-sharing remain nothing more than untested hypotheses and do not qualify as unassailable reasons against even consideration of the concept."[22] Yet Dr. Scheinman does identify three basic arguments against market-sharing, and they should be addressed in this article.

[22] See footnote 16 above. Dr. Scheinman's ideas on market-sharing have been helpful in framing some of the proposals in this article.

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The first argument is that reactor market-sharing is contrary to United States anti-cartel policy and in violation of antitrust laws. It is clear that export cartels relating to United States exports come under the general prohibition of section 1 of the Sherman Act which expressly covers restraint in trade with foreign nations. The Supreme Court has held that any scheme of market division among competitors is illegal per se, and a lower Federal court has held that an international cartel arrangement providing for a worldwide division of a market is a per se violation.[23]

At the same time, there is a long history of antitrust waivers in areas affecting national security. The federal government has not directly and actively participated in an international cartel. Nevertheless, exemptions under the antitrust laws for certain private companies to participate in cartels, decisions not to prosecute U.S. companies participating in cartels, and other qualifications have led to a U.S. policy of less than inflexible opposition to international cartels, especially in situations where overriding national objectives are at stake.

With respect to United States participation in a cartel-type arrangement for sharing the world reactor market to attain nonproliferation objectives, three basic questions as to the applicability of antitrust law would seem to apply.

First, if the United States should enter into such an international agreement that could be deemed a violation of section 1 of the Sherman Act, and the U.S. government then directed private industry to conform with the market-sharing arrangement, could the members of that industry be in violation of the law?

Second, if in such a situation private industry entered into a voluntary agreement to conform with the market-sharing arrangement, could the members be in violation of that law?

And, *third,* even if participation by private industry might be a violation of section 1, are there any statutory exemptions from the operation of the antitrust laws which are applicable?

A persuasive argument can be made that an official directive by the executive branch of the government, mandating the participation of an industry in a market-sharing arrangement, would be tantamount to governmental action itself. Thus, the issue here for a court to decide

[23] The following discussion of cartel and antitrust implications is drawn largely from the following two reports prepared for the Senate Government Operations Committee: Daniel Hill Zafren and Moses L. Perry, Jr., *United States Antitrust Law Implication of an International Scheme of Market-Sharing of Nuclear Enrichment or Reprocessing Equipment (A Suppliers' Cartel),* Washington: Library of Congress, Congressional Research Service, American Law Division, April 27, 1976, 18 pp.; and Raymond Ahearn, *Precedents for United States Involvement in International Cartels and Participation in Intergovernmental Commodity Agreements,* Washington, Library of Congress, Congressional Research Service, Economics Division, April 21, 1976, 14 pp.

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would be whether the government, acting within a sphere in which it is believed to be competent, can give immunity under the antitrust laws by compelling or authorizing conduct that possibly otherwise would be prohibited by those laws.

If the agreement (containing authority for a government directive to the industry) was submitted as a treaty to the Senate, and the Senate gave its advice and consent, there would appear to be an absolute defense against antitrust litigation, although this has not been definitively passed upon by the courts. However, if there was no "official" mandate or authorization directed at private industry, but some voluntary arrangement or agreement within the industry to enter into a market-sharing arrangement requested by the executive, it is questionable that such activity would be exempt from the antitrust laws, even if assurance to that effect had been given by the executive.

Congress, in other words, must be a party to the agreement. In the absence of the establishment of some "legislative action," a voluntary arrangement might be subject to antitrust attack as well as involve some possible constitutional problems. It is reasonable to assume, however, that Senate approval of a treaty or congressional approval of an executive agreement would constitute such "legislative action" as to satisfy legal and constitutional requirements.[24]

The second argument is that the other nuclear supplier countries would reject a market-sharing arrangement.

It can be argued in response that market-sharing is quite compatible with the way Europeans do business. To some extent, indeed, the Europeans have been responding to the way Americans do business. Although American anti-cartel policy is based on the principle of fostering competition and world trade, many important sectors of the American economy are either effectively monopolized or subject to what economists call "imperfect competition" among a few giant corporations. Our European trading partners feel, with some reason, that nuclear power has been such an area, in which they have been exposed to dealing with large U.S. corporations to their detriment.

Would the French and the Germans be agreeable, therefore, to engaging in a market-sharing arrangement with the still formidable U.S. nuclear industry? To some extent they already do. The two predominant U.S. nuclear companies, Westinghouse and General Electric,

[24] An alternative legal approach might be to invoke the provision in the Defense Production Act authorizing the President to approve "voluntary agreements to help provide for the defense of the United States." At the very least, this provision—as well as the recent International Energy Agreement between the United States and other OECD members—offers relevant precedents for congressional action either directly through legislation or through approval of a treaty or an executive agreement.

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are deeply involved in the European nuclear program. As noted above, the transfer of their technology provided the basis of the French and German nuclear industries.[25] The closeness of commercial ties between the U.S. and European nuclear industries would seem to offer a strong potential for successful market-sharing if agreement could be reached at the government level in the suppliers meetings.

And the reach of the U.S. nuclear industry extends beyond Europe to Canada and Japan as well. Between 20 and 30 percent of the return on sales of the Canadian CANDU heavy water reactor flow back to Canadian General Electric Company and Westinghouse of Canada. Both General Electric and Westinghouse own substantial shares of Japanese fuel fabrication plants, and they each license Japanese reactor manufacturers as well.[26]

Closer ties to all of these foreign companies in the form of market-sharing might prove attractive to our own companies. In return for giving up a portion of the world reactor market, Westinghouse and General Electric could be called upon to supply a greater share of the principal components in foreign-exported reactors, to augment the limited productive capacity of foreign companies. It is not unusual today to find the pressure vessels used in European reactors an export item from the United States. The U.S. companies might find more of this business coming their way under a market-sharing arrangement and, therefore, may not have as much to lose as would appear at first glance.

The third basic argument against market-sharing is that the recipient countries of the Third World would view it as a nuclear cartel and refuse to do business with it.

Aside from figuring out what the alternative source of supply would be if all the major suppliers were included in the arrangement, a recipient nation would also have to consider whether the *actual* economic and political features of the arrangement warrant the stonewall

[25] Today, the principal German domestic reactor is virtually identical to the General Electric reactor, while their principal export reactor is of Westinghouse design. The standard French reactor for both domestic use and export is based on blueprints provided by Westinghouse, and about a third of the components are provided by Westinghouse as well. General Electric owns 8 percent of a principal German reactor manufacturer, 20 percent of a German fuel fabrication plant, and licenses several European companies to design and construct nuclear reactors and fabricate fuel. Westinghouse owns 15 percent (until recently 49 percent) of the principal French reactor manufacturer, 34 percent of a French fuel fabrication plant, 100 percent of a Belgian reactor manufacturer, 40 percent of a Belgian fabrication plant, 51 percent of Italian reactor and fuel fabrication companies, has similar holdings in Germany and Sweden, and licenses several other European companies for reactor and fuel production. Testimony of George J. Stathakis, General Electric Company, and Dwight J. Porter, Westinghouse Electric Corp., Senate Government Operations Committee Hearings, *op. cit.*

[26] See Barber Report, *op. cit.*, Appendix C, for a detailed discussion of U.S. nuclear industry involvement worldwide.

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treatment. A properly designed market-sharing system would have two key elements to help promote reactor sales to the Third World.

First, reactor fuel services would be priced as cheaply as possible and made readily available on an assured nondiscriminatory basis. *Second,* symmetry would be built into the system to keep special privileges of the supplier countries to a minimum and to promote maximum involvement of the recipient countries. The manner in which potential weapons-grade material is handled is essential to both key elements of market-sharing.

If enrichment, reprocessing and fabrication of reactor fuel are concentrated in large multinational plants in the supplier countries, economies of scale can be achieved that should keep down the price of fuel and ensure a reliable supply. Reliability of supply can be further assured by providing that no multinational plant can withhold a fuel shipment from any customer nation unless the nation diverts spent fuel or other material in violation of IAEA safeguards or sets off a nuclear explosion. The only grounds for cutting off fuel would be nuclear-related, thereby ensuring that fuel could not be withheld by a single-minded cartel for political purposes.

True symmetry can be achieved in a market-sharing arrangement only if commercially produced plutonium is kept under strict international control. If the recipient countries are to be denied access to separated plutonium, why should the supplier nations have access to it before it is commercially needed as a reactor fuel?

Apart from the serious environmental and cost problems of reprocessing, it now appears that plutonium will not be required commercially until such time as the breeder reactor achieves commercial application—probably at least 10 to 20 years from now.[27] The wisest course, therefore, may be for the suppliers to agree to delay plutonium reprocessing, as discussed above.[28]

Such evenhandedness by the suppliers would go far toward reassuring the recipient nations without in any way crippling the present commercial nuclear program. The safest place for plutonium is in the highly radioactive and inaccessible spent fuel, and this should be

[27] While the article does not address in detail the question of possible export of breeder reactors—which France is now ahead in building—there appear to be strong reasons for a general moratorium on such exports, which would not only require plutonium as fuel but generate large additional quantities in operation. See testimony of Dr. Hans Bethe (Nobel laureate and a staunch nuclear power advocate), Senate Government Operations Committee Hearings, *op. cit.*

[28] A less satisfactory option would be to proceed with reprocessing of plutonium in multinational plants under IAEA custody and immediately to mix the plutonium with natural uranium for use as a diluted "mixed-oxide" reactor fuel that is unsuitable for direct use in weapons. Unlike low-enriched uranium, however, a mixed-oxide fuel can be chemically separated to produce weapons-grade material—in this case plutonium. For this reason, production and use of mixed-oxide fuel should be avoided, particularly in nations not possessing nuclear weapons.

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shipped back to the original fuel supplier for safe storage under IAEA custody, as provided in Article 12 of the IAEA statute.

VIII

The question remains of what happens if France and West Germany, in particular, refuse to participate in a reasonable market-sharing arrangement. The United States would then be confronted with the difficult problem of how to deal with allies that refuse to act like allies. We should become very emphatic that this is a matter of far greater potential consequence for U.S. and world security than even the Arab oil embargo.

U.S. nonproliferation policy has been ineffective in eliminating dangerous competition from the world nuclear marketplace because of the basic premise that the policy can be executed on an evolving basis—that the French and Germans can *eventually* be brought around to seeing things our way. This is a dangerous premise, and the sudden escalation of nuclear competition—as evidenced by the fuel-cycle sales to Brazil and Pakistan and the negotiations for a similar transaction with Iran—indicates that a quantum shift in U.S. dealings with France and West Germany is in order.

At the very least, the United States should enter the next round of supplier negotiations prepared to propose multinational arrangements for closing the commercial nuclear fuel cycle and for making all weapons-grade material generated by the fuel cycle unavailable to any nation on a sovereign basis. The United States should also make clear that it would view with the gravest concern the continuation of the present export policies of West Germany and France.

Unfortunately, there are no indications from the State Department that the United States is prepared to act boldly. There is no official support for market-sharing arrangements; nor is there any sign that the United States is prepared to express strong displeasure with the export policies of our allies. In fact, on the subject of unfair competitive practices by West Germany and France, the State Department is prepared only to say, "It is our intention to explore carefully with our partners *whether such practices do exist,* and to seek means to overcome them."[29]

If this is to be our posture as the supplier talks resume, it is difficult to see how we can hope to persuade others of the depth of U.S. concern and the need for corrective measures. Our nonproliferation policy is at risk of being bankrupted by the complacency and the defeat-

[29] Emphasis supplied. State Department response to my letter to Secretary Kissinger, Senate Government Operations Committee Hearings, *op. cit.*

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ism of our negotiators. It may be that only an act of nuclear violence by a nation or terrorist group will be sufficient to put some teeth into U.S. nonproliferation efforts. By then, however, it is likely to be too late to establish an effective nuclear world order.

How far should the United States be prepared to go to win participation by France and Germany in multinational arrangements for preventing the spread of uranium enrichment and plutonium reprocessing plants? There should be sufficient economic incentives to win their participation. But if these do not suffice, the United States should be prepared to use other forms of leverage.

The implied threat to use such leverage must be credible. And there is at least one credible nuclear leverage still available to the United States, namely a cutoff of enriched uranium fuel to supplier nations that refuse to join in meeting basic nonproliferation objectives.

The two most troublesome nuclear suppliers, France and West Germany, are developing their own multinational uranium enrichment capability, as noted above. However, these facilities will not be in full production until the early 1980s, and an analysis of current data prepared at my request by Dr. Warren H. Donnelly of the Congressional Research Service, Library of Congress, indicates that for the next five to ten years, the French and West German nuclear programs will need continued access to U.S. uranium enrichment capacity just to supply their domestic needs, not to mention providing enriched fuel for the reactors they wish to export.[30] This continued need gives the United States a powerful lever to move our two allies with us toward the

[30] *Analysis of Uranium Enrichment Needs of France and West Germany.* The principal sources of this data are the report of the OECD *et al., op. cit.,* and a table prepared by ERDA: *Current and Anticipated Foreign Enrichment Production Capacity and Separative Work Requirements,* Senate Government Operations Hearings, Export Reorganization Act of 1975, p. 916. Based on these materials the assessment is approximately as follows:

In 1976, just to provide replacement fuel for the enriched uranium consumed in their nuclear power plants, France and Germany each will require about 1.3 million separative work units (SWU), which is the basic measurement unit for uranium enrichment. At most, France has a 400,000 SWU per year capacity at the small enrichment plant that she uses for her weapons program. When EURODIF comes into full production by the early 1980s, France will be entitled to only 40 percent of its 10 million SWU total enrichment capacity, the rest being committed to the other parties in the multinational venture. France, at that time, will need between 4 and 6 million SWU to keep her own reactors running. As late as 1985, French enrichment requirements will be some 7.6 million SWU, which will not be filled by its 40 percent share of EURODIF's 10.5 million SWU capacity projected for that year.

Germany, on the other hand, has no weapons-enrichment capacity to draw from, and by the time its multinational enrichment venture, URENCO, begins producing 2 million SWU a year in 1981, it will be entitled to only about 30 percent of that total. Germany, however, will need nearly 4 million SWU in 1981 to run its domestic reactors. By 1985, it will require 6.6 million SWU to run domestic reactors in Germany, more than twice Germany's share of URENCO's projected output for that year.

According to present projections, in 1985, France will be obtaining 72 percent of her electricity from nuclear power plants, while Germany's electricity will be 42 percent nuclear.

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shaping of a sane, coherent and effective world policy for nuclear export control on terms fair to all.

If the United States should cut off enriched uranium to France and Germany, the only alternative supplier would be the Soviet Union. The United States has not determined whether the Soviet Union would cooperate in an embargo of reactor fuel shipments to France and Germany in order to achieve nonproliferation objectives. Even if the Soviet Union would not cooperate in such an effort, it seems unlikely that France and Germany are prepared to rely solely on the Russians. Furthermore, the French and German governments would have to explain to their own people why defiance of the United States on nonproliferation policy warrants reliance on the Soviet Union for a vital fuel.

A cutoff of nuclear fuel by the United States should be unnecessary once France and Germany are convinced that we are prepared to act in order to attain our nonproliferation objectives. If the threat is credible, it should not be necessary to carry it out.

I concede that this can be viewed as pressuring our allies. But the question is, "At what price the alliance?" Is allowing the world to head toward nuclear hell a fair price? By the year 2000, nuclear power plants may be generating between one and three million pounds of plutonium a year—the equivalent of hundreds of thousands of Nagasaki bombs. It is simply unrealistic to assume that any safeguards regime can, by means of timely detection, prevent the rapid spread of nuclear weapons from that amount of material if national production and stockpiling are allowed to proceed. The State Department must consider these figures, and the terrifying dilemma that they represent, when determining what pressures should be brought to bear to win French and German cooperation.

IX

With the cooperation of our allies, an integrated worldwide nuclear market can be established such as I have proposed. It would then become possible to develop a broad consensus in favor of effective sanctions against nations that choose to operate their nuclear programs outside the system. Nations that insist on operating unsafeguarded reactors and fuel facilities, and on developing nuclear explosion programs, will identify themselves as having nuclear-weapons intentions. Nuclear-trade and general-commercial embargoes can be imposed against these nations to isolate them from the world community. Such embargoes, if applied universally to cover all high-technology items—including non-nuclear items that play an essential role in weapons-

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related nuclear technology—would make it extremely difficult for less-developed countries to develop a nuclear-weapons capability.[31]

The strong consensus underlying an integrated market approach to controlling nuclear proliferation would also permit a more effective system of IAEA safeguards than is now possible for detecting diversions and weapons activities.

A final word of caution. Any market-sharing arrangement must be closely and effectively regulated. The multinational corporations involved would have not only a tight grip on a vital energy source, but access to atom bomb material as well. National governments should make the decisions governing the nuclear energy supply, and they should delegate effective powers to the IAEA, far greater than that Agency now exercises, to take universal custody of, and ensure the peaceful use of, actual or potential weapons-grade material.

It is essential that we win the cooperation of our allies, France and West Germany, if the atom is to be controlled for peaceful purposes. Without their cooperation, the prospect is for a world of nuclear anarchy, which in turn can only lead to widespread nuclear violence.

I am convinced that nuclear proliferation can be controlled if we have the will and the wisdom to do so.

[31] As an example, there are now 127 companies—51 of them in the United States, the balance all in West Germany, Great Britain, France or Japan—that market products and services for nuclear fuel reprocessing. Items include cranes, data loggers, dissolving tanks, glove boxes, periscopes, remote handling devices and systems, shipping casks, valves, pipefittings and gaskets. These could be made subject to IAEA safeguards when imported for use in a reprocessing plant or could be embargoed to nations that refuse to accept safeguards. *Countries and Industrial Companies Capable of Supplying Items, Services and Assistance for Nuclear Fuel Reprocessing,* Congressional Research Service, Library of Congress, 1976, 7 pp.

An even more extensive embargo on *all* technology items may have to be imposed in the event that a country is suspected of, or detected, secretly building a research reactor capable of producing enough plutonium for two bombs a year. Plans for such a facility, a relatively simple graphite-moderated, natural uranium reactor (not requiring expensive and difficult enrichment) are available in public print. The reactor could be built and put into operation in about four years at a cost of about $13 million, using components that, with the exception of the uranium, are freely available on the world market. Even the natural uranium, where available domestically, can be mined and milled with moderate effort. *On the Construction of Plutonium-Producing Reactors by Small and/or Developing Nations,* a report prepared for the Congressional Research Service, Library of Congress by John R. Lamarsh, Washington, 1976, 26 pp.

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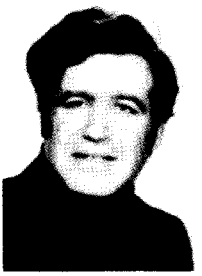
THE INTERNATIONAL NUCLEAR INDUSTRY TODAY

The End of the American Monopoly

By Paul L. Joskow



CONCERN and frustration over the rapid spread of nuclear reactors, uranium enrichment facilities and reprocessing plants outside of the nuclear weapons club, to countries such as Brazil, South Korea, and the Union of South Africa, have recently led to suggestions that the United States place a ban on the export of conventional reactor technology, advanced reactor technology such as the breeder reactor, and fuel cycle technology until more acceptable safeguards institutions have been created. For example, in recent congressional testimony, David Lilienthal, the first chairman of the Atomic Energy Commission, suggested that such a unilateral U.S. strategy might be adopted.

There are several reasons why this approach to the proliferation problem is unlikely to be successful. First, the United States no longer possesses a monopoly over reactor technologies or fuel cycle processes. In fact, in the area of reprocessing and breeder reactor development the United States lags behind other industrialized countries. Countries such as France, Germany, Japan, Canada, and the United Kingdom have the capability to produce and export one or more key elements of the nuclear energy system and could quickly replace the United States as a supplier of nuclear facilities. Second, the nature of the nuclear industries in most of these countries makes it highly unlikely that they would go along with such an embargo; rather, they would be likely to exploit the opportunity for additional nuclear sales to the fullest. Third, such a policy would run the risk of wrecking the existing Nonproliferation Treaty (NPT) which guarantees countries nondiscriminatory access to nuclear technology for peaceful purposes. As a result, even if such a unilateral embargo policy could be effective in the short run, the long-term implications for international agreements in the safeguards area might be extremely undesirable.

These facts have led some, especially those in the domestic nuclear

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power establishment, to conclude that the current realities of the international nuclear energy industry not only rule out the possibility of an effective unilateral U.S. embargo policy but mandate the elimination of all trade restrictions on the domestic nuclear industry. This is not the conclusion that I come to in the discussion below. Rather, I seek to argue that recent developments in the international nuclear industry have considerably complicated the proliferation problem. Nonproliferation efforts must take account of these realities and recognize that trade in nuclear facilities can be effectively regulated only through cooperative agreements and international institutional arrangements, not by unilateral actions by the United States. The recent agreement to regulate such trade, signed by six key countries, is a step in this direction. But as I shall indicate below, this agreement still leaves much to be desired.

II

When a country considers whether or not to invest in nuclear steam supply systems for generating electricity, it must consider the economics of an entire nuclear energy system of which the nuclear reactor itself is only a part. For the light water reactors that the vast majority of countries are building, the generating facility itself is useless without a supply of uranium and uranium enrichment services which can turn the natural uranium into usable light water reactor fuel. The potential buyer must be assured that it can either buy enriched uranium fuel directly or contract separately for natural uranium, uranium conversion services, uranium enrichment services and fuel fabrication services—the "front end" of the nuclear fuel cycle. The availability of enrichment services or enriched fuel is the most important concern since it involves both advanced technology, which only a few countries now possess, and because the present cost of enrichment facilities of optimum economic scale is quite substantial.

The front end of the fuel cycle and the reactor itself are only part of the nuclear energy system. It is generally thought that the spent reactor fuel must be reprocessed for several reasons. First, the spent fuel contains uranium which can be salvaged, enriched once again and recycled as fuel. Second, in the process of nuclear fission, part of the heavy uranium isotopes have been transformed into plutonium, which has immediate value as a fuel mixed with enriched uranium in light water reactors, or can be stored for future use as a fuel in breeder reactors. Third, it is argued that the fuel should be reprocessed so that the radioactive wastes can be put into a convenient form for permanent storage.

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At least the first two arguments depend on the costs of reprocessing spent nuclear fuel. There is growing evidence that such costs may be so high as to make reprocessing uneconomic. However, it is this "back end" of the fuel cycle that has caused the most safeguards concern since the plutonium produced in reprocessing facilities could be diverted and fabricated into nuclear weapons.

Therefore, the *economic* decision of a country that wants to use nuclear power strictly for peaceful purposes involves the consideration of a dynamic energy system of which the light water reactor itself is only a part. This *economic* decision ought to be made with consideration given to the costs and availability of front-end and back-end fuel cycle services to use along with conventional light water reactor technologies, and with an eye toward the future introduction of breeder reactors in which, if the costs of reprocessing and breeder construction are sufficiently low, the plutonium produced by conventional reactors can be effectively utilized.

To the extent that there has been a coherent U.S. nuclear export policy, it appears to be as follows: U.S. companies can export light water reactor systems, individual components, or technological know-how under International Atomic Energy Agency (IAEA) safeguards —but not enrichment or reprocessing *facilities* and *technologies*. (However, the United States is ready to sell enrichment and reprocessing *services* to foreign countries that wish to contract for them.) Since the Clinch River Demonstration Breeder Reactor is not likely to be operating before the early or mid-1980s, there is no policy as yet on future breeder reactor exports. The current export policy results in part from a desire to limit the spread of those fuel cycle facilities that could be used to produce either highly enriched uranium or plutonium which could then be fashioned into weapons.

For countries anticipating a major commitment to nuclear energy, the U.S. export policy is not particularly attractive, due to a number of important uncertainties. The availability and terms of U.S. enrichment capacity after the early 1980s remain unknown. The temporary moratorium on new enrichment contracts that was in effect in early 1975 created additional uncertainties about the dependability of the United States as a long-term supplier of enrichment services.

The situation in the back end of the fuel cycle is even more uncertain. At the present time there is no commercial reprocessing capacity in the United States, and there is not likely to be enough capacity even to serve U.S. needs until the early 1980s. More important are the general uncertainties of "environmental politics" surrounding the plutonium cycle in the United States. A decision to allow plutonium recy-

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cling has not yet been made, although one is due sometime next year. Even if the domestic plutonium industry passes through all of the environmental and safeguards hurdles, foreign governments remain concerned that the import and export of nuclear wastes to and from countries with reprocessing facilities will encounter serious internal political opposition. The Japanese have already begun to encounter such opposition in the United Kingdom, where they plan to send fuel to be reprocessed, though the United Kingdom has had by far the least opposition to nuclear energy of all the industrialized countries.

Any country which makes a large commitment to nuclear energy via a strategy of purchasing nuclear generating facilities or technology, but not fuel cycle facilities, finds itself in the position of being dependent on the internal political situation of the country or countries from which it contracts to purchase fuel cycle services. While political uncertainties in the United States are probably the greatest, they are substantial in several other countries that could supply such services. The nature of the fuel cycle industry is such that a country would find it extremely difficult to switch to other suppliers quickly if either enrichment or reprocessing services were suddenly curtailed or cut off. For example, our Energy Research and Development Administration (ERDA) and organizations in other countries currently selling enrichment services require long-term contracts to be signed well ahead of initial service. As a result, a country with substantial fuel cycle requirements would find it desirable either to contract for fuel cycle services with an international organization sheltered from the domestic political factors affecting export agreements, or to build the facilities themselves, both to serve its own reactors and to export such services to smaller countries wishing to diversify their sources of supply. By buying enrichment and reprocessing facilities or the technology with which to construct them, a country is of course also buying the capability to make nuclear weapons.

III

As long as the United States was the sole supplier of reactors, enrichment services and reprocessing, it could dictate the arrangements under which other countries, especially non-nuclear countries, could develop their nuclear energy systems. The purchase of a U.S. reactor carried along with it agreements as to safeguards procedures and the disposition of spent nuclear fuel. Normally a country would have to submit to inspections by the International Atomic Energy Agency after the NPT went into effect. Importing countries may not have liked the fact that they could not purchase key fuel cycle facilities or

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fuel cycle technology from the United States, but if they wanted nuclear reactors rather than alternative technologies, such as oil or coal, to generate electricity there was little that they could do but go along with the policy as long as alternative suppliers did not exist.

Today this monopoly position no longer exists. Several countries other than the United States are in a position to export enrichment technology, light water reactors indistinguishable from those supplied by U.S. manufacturers, and reprocessing technology and facilities. In most of these countries the economics of the domestic nuclear energy industries makes it almost imperative that they secure foreign sales in order to augment the domestic markets for nuclear power.

Let us consider the conventional light water reactor market first. U.S. exports of nuclear steam supply systems (NSSS), NSSS components and the associated technology have been accounted for primarily by Westinghouse and General Electric. During the 1960s and 1970s these companies sold reactor systems both directly and in cooperation with firms within particular countries. They concluded licensing and technical exchange agreements with companies in Belgium, France, Germany, Sweden, Switzerland, Spain, Italy and Japan. In addition, Westinghouse owns portions of companies which sell NSSSs in France, Belgium and Sweden. Between 1968 and 1971 the United States consistently provided over 90 percent of the world reactor export market. In most industrialized countries the idea was to use U.S. manufacturers as primary suppliers for initial reactors, but over the long term to transfer the technology and the production capability to domestic companies. Each of the industrialized countries felt that its natural interests dictated that it have its own independent industry for manufacturing the important components of the system and for putting the system in working order. In the case of Germany and Sweden, the major reactor vendors are completely independent of U.S. companies. In addition, Canada developed its own heavy water, natural-uranium-fueled reactor independent of U.S. firms. (The United Kingdom, while independent of U.S. technology, is no longer an important agent in the conventional reactor export market.)

By the end of 1975 there were four foreign firms active in the export market and in heavy competition with Westinghouse and General Electric. In France, Framatome produces pressurized water reactors (PWR) under license from Westinghouse. Framatome is a fully integrated company which can itself produce all major PWR components. It is partly owned by Westinghouse, but the French government has recently bought out most of Westinghouse's share in the

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company. While Framatome and its primary customer, Electricité de France, would like to continue the relationship with Westinghouse, there is no doubt that Framatome would go it alone if the U.S. government attempted to constrain Westinghouse's relations with it. In fact, there are groups within France, especially in the French Atomic Energy Commission, who would welcome an excuse to terminate the Westinghouse license agreement (which expires in 1982), both because the licensing arrangement with the U.S. firm restricts Framatome's freedom to export to certain countries without U.S. government approval, and to make the industry entirely French and more dependent on the existing French research and development establishment. Framatome currently has the capability to produce seven or eight NSSSs per year. The domestic market (of which Framatome has a monopoly) will probably absorb five per year, so that Framatome is trying to sell two or three NSSSs per year to foreign countries. Framatome has already negotiated sales of two reactors in Belgium and two in Iran and remains an active candidate for one or more reactors in South Africa. It has also been reported negotiating for sales in Egypt, Iraq, Kuwait and other countries.

In Germany, two major electrical equipment manufacturers joined together to form Kraftwerk Union (KWU), in 1967. KWU offers turnkey contracts to build a variety of nuclear steam supply systems, the primary one being a pressurized water reactor of German design independent of any U.S. company licenses. KWU, unlike Framatome, is primarily an engineering company and does not manufacture major reactor components itself. In making sales, its procedure is to sign a contract to deliver a complete nuclear generating station and then to subcontract to German and foreign firms for the individual components of the system. KWU is the major supplier to the German market and has already negotiated exports to Argentina, Brazil, the Netherlands, Spain and Iran, and is conducting negotiations for orders by Kuwait and Egypt. In 1975 KWU received eleven orders, more than the four U.S. reactor vendors received in total from both the domestic market and abroad. The company currently has the capacity to deliver at least four systems per year which can easily be expanded to six or seven per year with the domestic market absorbing perhaps five. This leaves a short-run export possibility of two reactor systems per year.

Framatome and KWU are the major competitors of the two major U.S. export companies in the light water reactor market at the present time. Together they could immediately provide exports of four or five reactors per year, a capacity which could easily be expanded over

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time if the demand warranted. Both companies can also provide a variety of fuel fabrication services, once presented with enriched uranium.

Several other existing or potential competitors are active in the international market. The Swedish company ASEA-Atom, which is similar in structure to KWU, sells boiling water reactors of Swedish design independently of U.S. firms. ASEA-Atom has secured only two foreign orders, both from Finland, but has been active in the export market. It was one of the bidders for the South African reactor orders. The company also provides a full set of fuel fabrication services. Due to reductions in domestic Swedish requirements, ASEA-Atom is likely to continue to seek foreign orders. Brown, Boveri and Company, a Swiss-German firm, has built or is building nuclear generating stations of both the pressurized and boiling water variety in Switzerland and Germany and was also a bidder on the South African orders. Brown, Boveri has generally operated in conjunction with a U.S. company and as a result should not as yet be considered an independent company without cooperation from General Electric or Westinghouse.

Three Japanese companies are potential entrants into the world market, but have not as yet consummated any major foreign reactor sales. Mitsubishi (Westinghouse license) sells pressurized water reactors in Japan and has been negotiating with the Soviet Union for the major components for ten PWRs. In addition, Hitachi (GE license) and Toshiba (GE license) are both selling boiling water reactors in Japan. The announcement of Mitsubishi's negotiations with the Soviet Union, combined with the slowdown in the Japanese domestic nuclear industry and the strong industrial base of these companies, indicates a distinct possibility that one or more Japanese companies will soon become an important international producer of NSSSs along with Framatome, KWU, General Electric and Westinghouse. As with Framatome, the U.S. licenses restrict somewhat the ability of these firms to export to communist countries without the approval of the U.S. government.

Finally, there are the Canadians, independently selling their heavy water reactor using natural uranium as a fuel. The CANDU reactor is desirable since it does not require enrichment services for the fuel, but it does require expensive heavy water as a coolant and moderator. The Canadians have been very active in the international reactor market, and their systems appear to be especially attractive to countries which seek independence from foreign enrichment technology and possess their own supplies of natural uranium. CANDU reactors

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have been sold in a number of countries including India, Argentina, Pakistan and Korea, with total sales of at least eleven overseas reactors. Canada has also signed a research and development agreement with Italy. The Canadians have been actively pursuing additional foreign sales, although for the near future Atomic Energy of Canada, Ltd. appears to have all of the orders that it can handle.

If Westinghouse and General Electric were forced to withdraw from the reactor market, Framatome in France, KWU in Germany and ASEA-Atom in Sweden could quickly replace them as alternative suppliers of light water reactors. In addition, the three reactor vendors in Japan must be considered as serious potential suppliers given their experience and production capacity. Finally, the Canadians, with some expansion in their production capacity, would be capable of supplying those countries willing to go with heavy water reactors rather than light water reactors. An attempt by the U.S. government to embargo the export of reactor components and technology would simply lead importing countries to turn to alternative suppliers who currently find themselves in an excess capacity situation. The United States might try to restrict exports of U.S. licensed components on national security grounds, but outside of exports to communist countries this does not appear to be a realistic possibility.

IV

Let us turn now to enrichment. Currently the United States possesses virtually all of the non-communist world's commercial enrichment capacity in the form of three gaseous diffusion plants owned by ERDA and operated by U.S. corporations. ERDA has extensive contracts with foreign governments to provide enrichment services on a toll basis. Its capacity (to serve both domestic and foreign needs) is a little over 17 million separative work units (SWU) per year which is being increased to 27.7 million SWU per year by 1985. In addition, the Soviet Union has been selling enrichment services to non-communist countries for several years. Soviet deliveries are forecast at 3 million SWU per year by 1982. Nonetheless, the United States' near-monopoly position in the enrichment area is quickly disappearing.

At Tricastin in southern France, an international consortium composed of France, Belgium, Spain, Italy and Iran and called EURODIF, is building a large gaseous diffusion enrichment plant using French technology. The plant will eventually have 10.7 SWU of capacity, will begin operating in 1978 and reach full capacity in 1982. The same consortium is considering building another enrichment plant either in France or elsewhere, perhaps in Canada.

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A second international consortium composed of Germany, the Netherlands and the United Kingdom, and known as URENCO, is building enrichment facilities based on a gas centrifuge technology. Pilot plants are currently operating in England and Holland and are being expanded. URENCO already has contracts for 2 million SWU per year in 1982 and is capable of expanding enrichment capacity to 10 million SWU per year if demand warrants it.

South Africa has built a pilot enrichment plant using a different process and is planning a commercial plant. An enrichment plant has been contracted for by Brazil to be built using German technology. Belgium is considering the construction of a large enrichment plant in Zaïre using hydroelectric capabilities, and Japan and Australia have given consideration to enrichment plants.

In summary, the United States no longer has a monopoly in the enrichment technology area. Especially for reactors coming on line in the late 1980s, countries will have the opportunity to contract for enrichment services from a number of suppliers. They will also be able to construct their own plants if either their enrichment demand warrants it or if they have access to cheap hydroelectric power or abundant supplies of uranium which might make the domestic production and possible export enrichment services profitable. Such plants could theoretically be used to produce highly enriched uranium which could be fabricated into explosives.

The technology for reprocessing spent uranium fuel, the part of the fuel cycle that has attracted the most concern because it involves the separation of fissionable plutonium from spent reactor fuel, is also not a secret known only to the United States. The largest commercial plants in the world for reprocessing uranium metal fuel are at La Hague and Marcoule in France and at Windscale in the United Kingdom. A consortium of German companies is participating in the construction of uranium oxide reprocessing plants at La Hague and Windscale through the multinational reprocessing company, United Reprocessors, formed in 1971. In addition, an experimental reprocessing plant is operating in Karlsruhe, Germany, and a much larger reprocessing facility is planned by a German industrial-utility group in cooperation with United Reprocessors for the early 1980s. A small reprocessing plant is now operating in the Tokai area of Japan, and small reprocessing plants were also operated in the past in Belgium and Italy. While operating commercial reprocessing capacity in the world is well below current requirements, the technological capability to reprocess spent uranium fuel is known or being developed in at least ten countries which will be in a position either to build plants or

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to transfer technological capabilities to other countries in the 1980s. France recently sold a reprocessing plant to Pakistan, with IAEA safeguards approval already granted. A similar sale to South Korea was consummated but later cancelled by the Koreans under U.S. pressure.

It is perhaps in the area of fast breeder reactors that the notion that the United States can affect the international market through a unilateral embargo policy is the most questionable. Five other countries either have operating now, or will have operating around 1980, demonstration fast breeder reactors. An optimistic guess would be that the U.S. demonstration plant at Clinch River in Tennessee will not be operating until 1983 or 1984. The 250-megawatt-electric French Phenix fast breeder reactor has been operating with excellent results since 1973. A 250-MWe breeder built in the United Kingdom went critical in 1974, but as of December 1975 had not reached full power due to problems in the heat exchange system. Germany and Japan are each building 300-MWe demonstration plants which are scheduled to be operating around 1980. In addition, a 350-MWe breeder has been operating in the Soviet Union since 1972.

These countries are moving quickly to the construction of commercial-sized breeder reactors. Construction will begin late this year or early next year on a 1,300-MWe breeder known as the Super-Phenix in France as a joint venture between French, German and Italian utilities. The United Kingdom is moving forward with the construction of a 1,300-MWe commercial fast breeder reactor on its own. Finally, a 600-MWe fast breeder is nearing completion in the Soviet Union and is scheduled to go critical in 1977. France and the United Kingdom have both expressed interest in exporting breeder reactors. The French even have a 450-MWe export version of the Phenix which they have offered for sale. The British, whose early lead in conventional reactor technology has ended in dismal failure with virtually no export potential, are interested in reversing this trend through active sales of their breeder reactors.

When questioned about their response to a possible U.S. embargo on the export of breeder reactors and associated technology, the French and British participants in this area ask in turn: How can the United States embargo the export of something that it doesn't even have?

In sum, the international nuclear energy industry in 1976 is far different from the industry that existed even five years ago. In terms of operating reactors and enrichment facilities, the United States and U.S. corporations are in a commanding lead. *But such figures reflect*

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the past and not the present or future. A country wishing to purchase nuclear reactors can go to France, Germany or Sweden and obtain systems which are for all intents and purposes identical to those which could be obtained in the United States. One or more Japanese companies could and probably will enter this market in the near future. An importing country could also go to Canada and obtain a reactor based on a different technology. For enrichment technology or services, the country could go to France, Germany, the United Kingdom, South Africa and perhaps even Belgium or Japan. If a country wanted reprocessing capacity very badly, any of these countries and probably others could provide it. In the fast breeder reactor area, France, Germany, the United Kingdom, Japan and the Soviet Union will almost certainly be in a position to sell demonstrated technologies several years before the United States.

V

As a result of these developments in the international nuclear energy industry, the projected effectiveness of a U.S. embargo policy cannot be based on whether alternative suppliers *could* provide the requisite technologies, because they can, but rather on whether they *would* provide them in the face of a U.S. embargo policy aimed at forcing the international community to create better safeguards procedures and institutions. There is a very high probability that the suppliers in other industrialized countries would quickly and eagerly fill any void that an American embargo would create rather than go along with it themselves. There are many reasons for this conclusion:

First, each of the major industrialized countries has promoted the development of a relatively self-contained nuclear energy industry especially in the area of conventional reactors. By and large the domestic markets are not large enough to allow the reactor vendors to achieve scale economies in production. Most countries planned on having at least a small export market to allow them to operate their plants at minimum efficient scale and to help to spread some of the research and development costs. France's decision to abandon her own gas-graphite technology in favor of U.S. light water reactors was at least in part dictated by export market considerations. At the present time, due to slowdowns in domestic markets, there is substantial excess capacity in the world for producing conventional reactor systems. Competition for reactor sales is keen and growing. Seven different firms submitted bids to South Africa for light water reactors, and U.S. and European firms have recently

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found themselves competing for orders in Belgium, Spain, Brazil, Iran, Egypt and South Korea, in addition to South Africa.

Reactor exports not only help to maintain the viability of the domestic manufacturers, but can mean billions of dollars in foreign exchange, not only for the NSSSs themselves, but also for the turbines, generators and extensive technical services which are likely to go along with them. The general economic incentives to export these advanced technologies together with the current overcapacity in the market are not conducive to any kind of cartel agreement to restrict supplies of conventional reactors among the five or six major countries involved. For evidence of the desire of countries like France, Germany and Canada to gain export sales, one only has to look at the recent extensive efforts of high government officials to convince foreign countries to buy their own country's nuclear products. There are also strong feelings of national prestige associated with the export of such an advanced technology.

Second, the concerted efforts by the individual reactor vendors to export reactors, combined with cooperation and salesmanship by government officials and a very competitive marketplace, lead naturally to questions of sales of enrichment and reprocessing technology. A country like Brazil is in an excellent position to exploit the market to the fullest. Brazil is a country which might represent at least 20 reactor sales over the next 15 to 20 years. Three or four companies from different countries sought the business. The costs (to the extent they can be estimated) and the quality of the different bids were essentially the same. In addition, the Brazilians contended that the size of the Brazilian nuclear sector and the availability of extensive but remote hydroelectric sites made both enrichment and reprocessing desirable both in terms of straight economics and security of supply. Although such economic arguments are open to some debate, they are plausible and cannot be rejected out of hand. Given the intense competition, Brazil asked for a whole package including a complete fuel cycle, something U.S. firms could not offer. The German government, interested in obtaining the several billion dollars in exports that the order entailed as well as an opportunity to develop their own enrichment technology further, and faced with strong competition from France, was quite willing to agree to such a package over U.S. objections.

France's acceptance of Iran as a participant in EURODIF and agreements to share nuclear research and development, as well as the sale of a pilot reprocessing plant to South Korea, now canceled by the Koreans after strong U.S. pressure, are movements in the same

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direction. In addition, countries like the United Kingdom which have no significant role in the conventional reactor market are well advanced in reprocessing and enrichment technology, which at the present time represents their only chance to get a share of the nuclear export market. As pressure increases within the industrialized countries to curtail the import and re-export of the radioactive waste of other countries, the sale of technology and facilities will seem more and more attractive relative to the sale of services only.

Third, any nuclear embargo proposal set forth by the United States would be viewed with a jaundiced eye by most of the countries involved. The domestic market for nuclear power in the United States is just about as large as that in France, Germany, Japan, Spain and Italy combined. If U.S. companies cannot sell abroad for some period of time, they still have the large U.S. domestic market. They have already achieved substantial exports around the world, including exports to those countries which are now themselves in the export market. The French already view the controversy over the Concorde as an attempt to destroy a market that American industry cannot compete in, rather than as a legitimate environmental controversy. Will they look any differently at a nuclear export embargo? More importantly, would the United States be willing to make an embargo agreement more credible by encouraging the entry of French, German, Japanese and Canadian reactor vendors and fuel cycle companies into the U.S. market? I doubt it.

Given the large economic incentives of the countries involved to export nuclear facilities and technologies and the general perception that the burden of a multilateral embargo would fall unfairly on the industries outside of the United States, it is highly doubtful that an effective multilateral embargo can be achieved. On the contrary, Germany's sale of fuel cycle facilities to Brazil and France's sale of a pilot enrichment plant to South Korea, over the vigorous opposition of the U.S. government, is an example of how difficult it would be to get the other countries to go along with an embargo.

In opposing an export embargo, the countries need not appeal to the vulgarities of economics of scale, the profits of domestic manufacturers or even the venality of the United States. They will wrap themselves in the Nonproliferation Treaty which the United States has encouraged all countries to sign and which forms the only visible basis of U. S. nonproliferation policy. Article IV, paragraph 1 states: "Nothing in this treaty shall be interpreted as affecting the inalienable right of all the parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes with-

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out discrimination and in conformity with Articles I and II of this Treaty." Articles I and II deal with prohibitions against the transfer or construction of nuclear weapons. Since the sales of nuclear facilities are normally accompanied by either bilateral or multilateral safeguards agreements precluding (at least in theory) the production of nuclear weapons, other exporting countries will argue that an embargo would violate a key part of the Nonproliferation Treaty and as a result could cripple existing nonproliferation agreements.

VI

The points elaborated so far should not be viewed as a brief for all-out free trade in nuclear facilities. Those expressing concern over the possibilities of additional nuclear proliferation arising from the current trade situation are quite correct. Continued free trade in nuclear facilities without adequate safeguards is frightening. The answer, however, does not lie in a unilateral abandonment of the international market by the United States, but in more vigorous efforts to create more effective international safeguards institutions. The current status of the international nuclear energy industry will, however, make such efforts far more difficult than in the days when the United States had a monopoly.

To say that the United States is no longer a monopolist in the nuclear energy area is not to say that it is powerless. It is and will remain a dominant force in the international nuclear industry as long as it continues to participate constructively in it. Effective policy measures to decrease the probability of the proliferation of nuclear weapons require that the United States recognize the realities of the international nuclear energy industry as it exists today and as it is evolving. The United States cannot attempt to make policy based on misperceptions of the interests, capabilities and motivations of countries like Germany, France, Japan, the Soviet Union and Canada as well as the legitimate interests of other countries in nuclear energy for peaceful purposes.

The common nuclear export policy announced last February between the United States and six other nuclear exporting countries is a step in the right direction. However, the current arrangement has some serious drawbacks and itself demonstrates how difficult nuclear export control has become. The seven countries agreed to sell nuclear energy facilities only under IAEA safeguards and after the importing countries agree not to use the facilities to produce nuclear explosives under any circumstances or to re-export reprocessing fa-

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cilities or reprocessed plutonium. Other nuclear facilities could be re-exported by third countries if accompanied by the same international safeguards.

The United States was apparently unable to convince the other countries to agree to a complete embargo of enrichment and reprocessing facilities to third countries, the export of which had really been the main concern. Thus, the agreement does little more than extend the safeguards conditions of the NPT, with respect to only these seven major supplier countries—one of which, France, is not a party to the NPT (Japanese ratification was completed in late May, after the agreement)—and to those recipient countries which have not signed the NPT but wish to import nuclear facilities from one of the major suppliers. As a result, while the agreement demonstrates some international concern over the effects of accelerating nuclear trade, and the ability to come to *some* agreement, it does not really buy us very much.

The safeguards provisions continue to hinge on the detection capabilities of the IAEA. Even the current adequacy of these detection capabilities is far from universally accepted, and the technical problems of inspecting enrichment and reprocessing facilities are novel and formidable. In the face of these difficulties and of the "scaling up" problems the IAEA will face as it extends inspections to several hundred additional facilities over the next decade, its ability to fulfill the inspection tasks that have been given to it is highly doubtful. A detailed and realistic assessment of the actual rather than theoretical capabilities of the IAEA is certainly desperately needed at this point.

Even if the IAEA can do an adequate job of inspection, it has no practical enforcement or sanctions powers. Detection of a diversion might lead to public condemnation and a cutoff of nuclear supplies but little else. India produced an explosive device from material produced in a Canadian-built reactor which had bilateral safeguards assurances attached to it. The world just watched, voiced some strong objections, and added another member to the nuclear "explosives" club. Without some method of enforcement or some promise of serious sanctions, one's faith in the deterrent power of existing international safeguards institutions cannot be too strong.

The realities of the present structure of the international nuclear energy industry, the difficulties of inspection and the lack of sanctions do not lead me to an optimistic conclusion about the future of nonproliferation policy. The problem cannot be met through unilateral U.S. embargo activities. The United States can use its power

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and influence with particular countries and international organizations such as the International Monetary Fund and the World Bank to see that importing countries at least sign safeguards agreements and submit to inspections. Suggestions for the development of international fuel cycle facilities might be pursued with more vigor and perhaps even given substantial financial aid by the United States, which could also play a key role if more concrete enforcement or sanctions mechanisms are created. All this would add up to an important but limited U.S. role in developing more effective regulation of international nuclear trade by using the powers that it really has as a key actor in this arena, rather than seeking to invoke an imagined monopoly that is quickly disappearing.

But development of more effective regulation of international nuclear trade is not a "solution" to the proliferation problem. There is *no* easy solution at hand. As time marches on and the international nuclear industry develops further the problem will likely become even more difficult. In trying to find a true solution let us at least be aware of and take into account the realities of the international nuclear energy market from the viewpoint of both buyers and sellers, the problems that they entail, and the very difficult task at hand.

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A U.N. POLICY FOR THE NEXT ADMINISTRATION

By Charles William Maynes

THE power center of American foreign policy has seldom taken the United Nations very seriously. It has used the organization when convenient as an instrument for the pursuit of traditional foreign policy goals. Pursuing a global policy, U.S. officials may even have been surprised at the number of times they found a global body of use. Nevertheless, their resort to the United Nations was episodic, and they continued to regard it as marginal to the conduct of international relations.

That attitude is now changing. Slowly, a realization is spreading among U.S. policymakers that even a debating society—and the United Nations is more than that—can have a very significant impact on international relations depending on the subject debated and whether those speaking have influence on actions outside the forum of discussion. U.S. officials increasingly realize that U.N. debates do have this impact. As a result, whatever their private feelings or public statements, American officials are taking the United Nations much more seriously than in the past.

All of which poses a dilemma for the United States: we are taking the United Nations more seriously precisely at a time when our prestige there has never been lower. Thus, what we need to do is to develop a strategy for increasing U.S. influence in an organization that will continue to affect American foreign policy.

To begin with, Washington must make an effort to understand an apparent contradiction in American attitudes toward the United Nations, a body we dismiss in one breath as powerless and denounce in the next as dangerous. An explanation for these conflicting attitudes can be found if we face up to the fact that on some subjects the United States now has no choice but to take the United Nations much more seriously whereas on other subjects it still has considerable discretion. The difference between disarmament issues on the one hand and economic issues on the other illustrates this point.

In the disarmament field, U.N. debates continue to have little im-

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pact outside the United Nations, principally because the superpowers maintain a virtually unchallenged monopoly of real power. It is a relatively futile exercise for the smaller powers to denounce the major powers, because the latter, if offended, will simply refuse to take the views of smaller states into account in their own bilateral negotiations. Everyone understands that U.N. debates have little leverage in the "real world" of disarmament talks. No one, therefore, gets terribly excited about "irresponsible" resolutions or debates in the General Assembly.

If we turn to economic issues, the United States is faced with a completely different reality. There, because of increased resource dependence, the rise of multinational corporations (now vulnerable to expropriation), and much greater interdependence in trade, the former economic hegemony enjoyed by Western countries like the United States has been significantly weakened (though not destroyed). The gap between U.N. rhetoric and the "real world" has significantly narrowed as a result. American policymakers are increasingly aware that U.N. debates can have a major impact on negotiations and foreign policy matters outside the world body. This awareness explains more than anything the recent U.S. willingness at the United Nations to enter into serious discussions with Third World countries regarding economic subjects. The United Nations is probably the forum we prefer least for such discussions; and one has to be frank in admitting the grave disabilities of such organs as the General Assembly or the United Nations Conference on Trade and Development (UNCTAD) as negotiating forums. But we now understand that too negative a position in them gives rise to very negative repercussions elsewhere.

This altered relationship between U.N. rhetoric and outside reality, particularly on economic issues, helps to explain why American policymakers have become so disturbed by decisions which an allegedly unimportant organization is taking. Yet the United States is also on the defensive in the United Nations with respect to political issues, particularly in the last two years. To understand why U.N. decisions are suddenly having a much greater impact on the United States in the political field as well as the economic field, we need to go beyond the usual statement that the United Nations is now dominated by Third World countries—that, after all, has been true since the early 1960s—and to introduce two important psychological considerations which help to explain our recent U.N. difficulties.

The first can be best explained by a phenomenon most of us—anxious to close the Vietnam chapter—prefer not to discuss: namely,

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that throughout the postwar period, it now seems clear, there was a rather large gap between American power as perceived by others and American power as actually projected by us in terms of raw military and economic resources. We never could really police the world, and our willingness to make important economic sacrifices through trade and aid for foreign objectives has been declining since the late 1950s. These realities notwithstanding, others continued to believe we had more power than we really did have; they structured their diplomacy accordingly, and Americans benefited from the much greater respect their views were accorded. This was true multilaterally and bilaterally, inside the United Nations and outside. Not the least of the destructive effects of our disastrous involvement in Indochina was to end a psychological advantage we were able to exploit for years within the United Nations and long after the "tyrannous majority" was in charge.

A remark once made by Lenin about the British underscores how others at certain periods in their history have benefited from a similar gap between perception and reality. To Lenin—and now to the British—it was ridiculous that England with a handful of troops could dominate a country as large as India, which had only to understand its true strength to drive the British out. But because the Indians thought the British had more power than they really did, they acted accordingly. (So did the Indonesians toward the Dutch; millions of Africans adopted a similar attitude toward the French.) When World War II exposed the extreme vulnerability of the British position in India, independence quickly followed. It is perhaps no accident that it took a war to close the gap between perception and reality for both Britain and the United States.

The second development that obviously has dealt a psychological blow to our political position inside the United Nations is Watergate. Today, American power is probably perceived by foreigners and ourselves to be significantly lower than it actually is. The public image of a weak President altering his foreign policy on détente and the Panama Canal according to the latest speech of his main challenger, the cascade of domestic scandal, the Administration's foolish decision (after years of neglecting Africa) to make Angola a test case of our ability to stand up to the Soviets, the cacophony of policy-level voices in the Administration on defense and international economic questions, the spectacle of press reports quickly confirming that the President is taking no moves in Congress to indicate his support for the Secretary of State's major shift in policy toward Rhodesia—all convince the world that America is a confused and troubled giant. It is no

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accident, in other words, that our worst period in the United Nations has coincided with our worst postwar domestic trauma.

All of which might make one despair since the trauma has been so far-reaching. Yet, it is an indication of the basic health of the country that already we see signs of a turn for the better. Those currently in contention for the presidency, for example, can hardly be described as adherents of a weak foreign policy. (On the contrary, the danger lies in the other direction. As this country picks itself off the mat psychologically, it may overreact to Soviet power and lose some of the gains in Soviet-American relations carefully achieved over four presidencies.) Already, in other words, the nation's approach to the 1976 elections, which will end the crippling anomaly of an appointed President, is placing the impact of Watergate on our international position behind us.

Once the election takes place, we should be able to avoid undue emphasis on the sorry record of recent years. Rather, we will perceive that America today is much like France in 1957, on the eve of General de Gaulle's accession to office. Our current international position, like France's then, reflects certain long-run adverse trends; and these we must analyze and react against. But our position reflects what will surely turn out to be a temporary collapse of national will and leadership. With time, our pessimism will recede, our adversaries' confidence will decline. Like France's influence then, America's influence will be reestablished in the world because the real strength of the nation has not been lost. We have only to regain our composure and retrieve our common sense for this to happen.

Restored American confidence will provide a solid basis on which to reexamine American foreign policy in the United Nations. But even with that confidence restored, there is a new mood in the Third World which we must comprehend if we are to place American policy in the United Nations in its proper framework.

II

Many post-1973 accounts of the U.N. confrontation between the Third World and industrialized societies assume that the outstanding issues are essentially economic or financial in nature, since so many of our disagreements with the Third World have centered around the so-called New International Economic Order. Third World demands are seen as a collective ultimatum for higher levels of resource transfer from the developed world to the developing world. This view, however, is not an adequate picture of Third World objectives, which remain more political than economic.

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In fact, the current North-South confrontation is part of a continuing process in this century to widen the circle of international decision-making. As such, it represents the third major attempt to integrate dissatisfied powers into the central management of the international system. The first attempt involved Germany and Japan. Although the conflict with Germany and Japan obviously had several dimensions, a key element of their challenge to others was a demand that they no longer be treated as second-class members of the international system. It took 50 years of struggle and negotiation before their true integration into the management of that system (along with a curbing of their ambitions) was accomplished. The second attempt concerned the communist states, particularly the Soviet Union and China. It has taken another lengthy period to arrive at a point where we can finally accord China her seat on the Security Council and can acknowledge that the Soviet Union has become a global power with legitimate interests which reach far beyond Eastern Europe. Today we are faced with the third effort of this century to enlarge the circle of those who have a determining voice in the conduct of international affairs.

Once we look at Third World goals in this light, we begin to understand the ability of developing countries to maintain unity under very adverse economic circumstances. Unlike Germany and Japan or the Soviet Union, few countries of the Third World have the national power base to compel acceptance or integration into the central management of the international system. Only through unity can they gain the role they seek. Consequently, unity persists for fundamental political reasons even when the economic costs of continuing the unity remain very high. Although, as Tom Farer has pointed out in this journal,[1] a common hatred of the colonial heritage is another cementing bond among many Third World states, only recognition of this drive for international acceptance and for an assured voice at the critical negotiating table allows us to understand a phenomenon which can link colonial with non-colonial (Yugoslavia with Burundi); free market with socialist (Thailand with Algeria); significantly developed with barely touched (Argentina with Nepal); pro-American with anti-American (Brazil with Iraq).

Third World countries have experienced colonialism in different degrees and at different times. Since independence, however, they have all experienced in roughly equal measure a common feeling of marginality and irrelevance regarding their role in the international

[1] See Tom J. Farer, "The United States and the Third World: A Basis for Accommodation," *Foreign Affairs,* October 1975.

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system. In this regard, developing countries, no less so than industrialized countries, recognize that with the collapse of the Bretton Woods system and the rise of new global challenges we have entered an era of international rule-drawing—in Secretary Kissinger's words the "most extensive series" of international economic negotiations in history. In such a period a place at the negotiating table tomorrow is becoming much more important than a lower price for oil today. The example of OPEC is electrifying, in other words, not simply because the oil-producing countries have more money but because they now have a commanding voice in international affairs.

Viewing Third World demands from this standpoint makes it possible to relate more coherently other features of the current U.N. confrontation between the United States and the Third World. It is almost commonplace for anyone following U.N. affairs to observe that the United States is isolated in the world body primarily because of three issues: the Middle East, southern Africa, and the New International Economic Order. (The Panama Canal, though not as central to our U.N. problem, should also be mentioned because, after more than ten years of negotiation, our failure to arrive at a settlement increasingly tends to rally Latin American states to anti-American positions in the United Nations.) On all three, Washington has allowed a cross-regional, hostile alliance to develop which has alternately embarrassed and outraged the American government and its people.

At first glance, it would seem that the three issues have few real links (except those which Arab money and African poverty can establish). In fact, they are closely joined by one common element: all are viewed by the Third World as symbols of its powerlessness in the international system. In all three cases, the industrialized world is seen as *interposing* itself either to prevent change or to control developments. Moreover, in the eyes of the Third World, the *interposition* itself, almost more than the formal Western position, is highly objectionable.

Since October 1973, euphoria has developed in the Third World precisely because developing countries have concluded that the West may no longer be able to interpose itself with its former effectiveness in any of these three central U.N. issues. In this perception, the oil weapon may have forced a new caution in the U.S. support of Israel; after Vietnam the unwillingness of the United States to become involved in civil conflicts abroad may have resulted in a new American reluctance to continue to encourage either a blocking or a slowing of the unfolding liberation of southern Africa; and Third World unity, coupled with the needs of growing interdependence,

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may have compelled the West to take much more seriously than in the past the economic demands of the world's poor.

III

One stark formulation of the basic choices open to the United States in the face of a united Third World appeared in the London *Financial Times*: "Do the Americans wish to split the Third World, or negotiate with it or, conceivably, do both? From Dr. Kissinger's statements, it is impossible to tell." A central explanation for our weak position in the United Nations is that the Administration has no answer to this question. In his famous telegram to the Department of State, printed in *The New York Times,* former U.N. Ambassador Daniel Patrick Moynihan categorically asserted that it was a "basic foreign policy goal" to break up "the massive blocs of nations, mostly new nations, which for so long have been arrayed against us in diplomatic forums and in diplomatic encounters generally." Secretary Kissinger himself has repeatedly denounced the "alignment of the nonaligned." Yet, as at UNCTAD IV in Nairobi this May, he has also called for cooperation, not confrontation, and in concrete situations he has shown a willingness to work with a united Third World.

It will be clear from the argument thus far that I think it is a mistake to attempt, certainly in self-defeating rhetoric but also in policy practice, to split the Third World. The record since October 1973 suggests why. For much of that period Washington attempted both with words and actions to divide the Third World, and the result was a spectacular diplomatic failure. Repeatedly Washington predicted what month after month failed to happen. Then, when we reversed course at the Seventh Special Session and attempted to encourage the emergence of moderate leadership within a united Third World, we ended up with a significant diplomatic success. By coming forward at that session with a major policy statement which indicated that on basic principles America remained firm but that within the boundaries set by those principles we would honestly attempt to meet the legitimate grievances of the developing world, we sent an important signal to the developing countries: moderation can pay. The response of Third World countries was instructive. There was no split. No one left the caucus. But the leadership role passed from the radicals to the moderates. In the coming months and in the next Administration, Washington must continue to send this kind of signal—one of firmness on principles and of accommodation on problems consistent with those principles.

The alternative is the "union-busting" tactics endorsed by Am-

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bassador Moynihan. These tactics, however, are likely to fail and may not even serve our interests. Can we expect some Third World countries to side with us regarding economic issues on a regular and predictable basis against the majority of developing countries? In fact, it would be against their own national interests since their leverage with us derives precisely from that unity. Even State Department Counselor Helmut Sonnenfeldt has acknowledged in his secret address to U.S. Ambassadors to European countries—in conformity with current practice subsequently published—that "dwarf states" can achieve real power internationally through unity.

But there is an additional consideration. We must begin asking ourselves more carefully whether such union-busting tactics, even if successful, would serve American interests. The world, after all, is entering a period of great economic uncertainty. With a total breakdown in the postwar economic framework, states are free to strike out independently, engaging in the international equivalent of wildcat strikes by arbitrary expropriations, sudden cutoffs of critical supplies, and refusal to honor earlier agreements. No state has a greater interest than the United States—a relatively satisfied and dominant power economically—in increasing the degree of collective pressure which can be brought to bear against states tempted to break the rules even as Washington negotiates a new set of them. Just as a sense of common interests in the European Community recently led to group pressure on France to rescind the new tax suddenly imposed on Italian wine imports, so members of a Third World bloc will have an interest in making certain that the actions of some temporarily dissatisfied state do not jeopardize future economic arrangements that benefit the vast majority. The American goal, therefore, should not be to break up the Third World but to structure its diplomatic approach in such a manner as to encourage the rise of moderate leadership within a bloc that probably should not be split in any event.

The same approach is also relevant to the other two key issues in the United Nations which isolate America so totally. In the Middle East we cannot expect Egypt to abandon the Arab world; nor in southern Africa can we expect Zambia to separate itself from other African states. The United States can work for the creation of a negotiating atmosphere which permits Egypt and Zambia to argue persuasively with other Arab and African states that moderation pays. Like the moderate leadership in the American civil rights movement in the late 1960s, however, the moderate elements in the Third World have gone years without victories and urgently require some to prove that a moderate course can produce results. Otherwise, we can expect

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the extremists of international politics to take over. But if America's general strategy should be to pursue a policy which enables leaders in the Third World to outflank the radicals with the argument that moderation pays and extremism does not, what specific steps should be taken in the United Nations?

IV

Here, the United States must adopt a strategy of tough diplomacy on the one hand and practical accommodation on the other. Tough diplomacy is essential primarily to trace clearly those limits beyond which it would be unwise to push the United States because fundamental principles or vital national interests are involved. The Zionism resolution and Cuban-inspired actions on Puerto Rico are examples. On such issues, Ambassador Moynihan was right, and the United States must press its views on such subjects earlier, more vigorously, and at a much higher level than in the past.

At the same time, Washington must press for accommodation in those areas where changes in our policy are entirely consistent with our long-term interests. On these issues and others we have more influence than we often believe. For years the United States followed a narrow damage-limitation strategy in the United Nations, in part because America needed a low international profile as long as the Vietnam War continued. Yet the past two years—which have been the low point of U.S. influence in the United Nations—demonstrate that when the United States takes the initiative, it can, precisely because it remains so important and so powerful, have greater influence than perhaps any other U.N. member in determining the shape of the international agenda. The U.S. initiative on food in Secretary Kissinger's maiden speech to the General Assembly in 1973 and his major address to the Seventh Special Session last fall contained elements of concrete benefit to everyone (although they did not ensure follow-through); at the same time, they preempted initiatives which would have been much less to our taste. Washington should attempt to launch similar initiatives in the future. Indeed, the United States should begin to think of its objective at the United Nations itself as much in terms of shaping the agenda for action there and elsewhere as in settling the problems themselves in the world body.

While the United States no longer has the potential in the United Nations to advance final formulations and expect blind acceptance by others, the alternative is not powerlessness. On any power continuum, the United States remains close to where it was. Rather than feeling sorry for ourselves because of the power we have lost, we should focus

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on the power we retain and determine to use it skillfully and with worthy purpose.

Opportunities to do this are various in the U.N. system, particularly in the technical fields. In the late 1970s, the United Nations will hold a major international conference on technology, a field both of American strength and of great political sensitivity to the Third World, which is aware that the weakest section of the consensus resolution at the Seventh Special Session centered around this issue. The United States should begin now with a vigorous interagency effort designed to develop a stream of proposals specifying steps that can both improve the terms of current technology flows to the Third World and assist Third World countries in developing new technology more suited to their own development requirements. Secretary Kissinger's recent Nairobi speech makes an excellent beginning in this process which the next Administration should accelerate. The U.N. Water Conference will take place in 1977. In this field, unlike most, the American government, as opposed to private industry, plays a major role in the development of new technology. Washington has, therefore, a unique opportunity to make pledges of assistance which do not depend on subsequent compliance in the private sector. In short, in all these major conferences, America's goal must be to place the United States at the cutting edge of international reform.

Consistent with the overall strategy of firmness and accommodation, the United States should take the following specific steps, both procedural and substantive. To begin with, if it is to maximize its influence within the United Nations, the United States must find ways to work with others in a regular caucus arrangement, accepting as a corollary that participation in a group entails a willingness to compromise in an effort to arrive at a common position. In Geneva the United States operates as part of a developed-world caucus. In New York it does not. It should press for the creation of such a New York grouping. Though some of our allies might resist this (since at times it is politically expedient for them to set themselves apart from the United States), Washington should be able to overcome this opposition if it can honestly argue that its purpose is to unite with its allies in order to work out a realistic program of cooperation, not confrontation, with the Third World. If our allies, in turn, are genuinely concerned about the U.N.'s future, they should agree to such a caucus since the alternative of U.S. isolation in New York is likely to lead to one of two results, each undesirable: renewed U.S. negativism or final U.S. disillusionment.

The executive branch must accept that with the increased prom-

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inence of international economic issues in the United Nations the role of the Congress in the formulation of our U.N. policy is totally changed. The problem is no longer simply stern congressional reactions to unpopular U.N. decisions. It is also congressional understanding of and agreement to the kinds of specific commitments (usually involving follow-up legislation) that are essential to effective American participation in international economic negotiations. With this in mind the Administration should commit itself to executive-session presentation of our U.N. strategy to the relevant committees of Congress well before each session of the General Assembly.

A major effort should also be made in the General Assembly to correct the destructive effects of current voting practices there. Some have argued that one way to accomplish this would be to eliminate voting altogether. But to function, any parliamentary body needs to vote on some issues. Moreover, an isolated American decision to cease all voting would look like an act of pique, brought about only because we are no longer able to take advantage of our own former automatic majority.

There is, however, good reason for drawing sharp distinctions between General Assembly treatment of political issues and economic issues. In the case of political issues, voting is often an end in itself because it serves as a benchmark of diplomatic strength or of international feeling. In the case of economic issues, however, the objective should not be to win diplomatic victories but to reach consensus on concrete programs of action that governments will carry out long after the initial U.N. vote has been forgotten. Two courses of action therefore seem open to the United States. It could simply refuse to vote on all economic issues in the future. Alternatively, it could announce its intention to regard as invalid any General Assembly vote on an economic issue where a clear majority of key developed countries had indicated their opposition. In that event, Washington would refuse to cast a ballot. Either way, the United States would be emphasizing that U.N. General Assembly decisions in the economic area are not meaningful unless they enjoy the support of countries with the resources to put them into practice.

The United States should boycott U.N. technical meetings that are being twisted for political purposes. In December 1975, the United States and ten Western states pulled out of a minor UNESCO committee meeting after Arab and communist states voted to inject the General Assembly's "Zionism equals racism" resolution into proposed guidelines for mass media. Although the United States should not hesitate to act alone, its goal should be to develop blocs of states

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which will join with it in protecting the organization's integrity, as was the case at the UNESCO meeting. This can be done with a good conscience because there is a difference between today's politicization of U.N. specialized agencies and yesterday's over the Chinese representation issue. Then the debate was over an up-or-down vote on admission. The United States did not attempt to twist the technical programs of the agencies in pursuit of a campaign against Communist China.

There exists the question of an appropriate American response to countries that take a consistently hostile attitude in the United Nations toward U.S. positions. It has been proposed that we strike back by means of the American aid program. No proposal is less likely to accomplish its objective. The Yugoslavs almost starved in 1949 rather than bow to Soviet economic pressure. The Cubans accepted enormous dislocation rather than accept American conditions for accommodation. Countries are not likely to change their general voting pattern in the United Nations for more foreign aid (particularly since we give so little). This is not to deny that the overall relationship between the United States and a particular country may deteriorate to the point where any aid relationship is unthinkable. Uganda is an example. Nevertheless, the best response to provocation in the United Nations is surely to reply in kind in the specific area of the confrontation.

If countries practice a double standard in the field of human rights, the United States and its allies should speak more forcefully of the human rights violations of those states that practice the double standard. If the Soviet Union assists in anti-American actions at the United Nations regarding Puerto Rico, which is in free association with the United States, Washington should make clear that it will raise the issue of the Baltic states, which are in forced association with the Soviet Union. If the United States is dissatisfied by economic positions taken by some countries in U.N. debates, then and only then should the United States make it clear that its *overall* economic relationship with those countries—on aid, Export-Import Bank credits, investment policy, trade promotion—will be that much more limited.

The foreign aid program itself should be used primarily affirmatively in the context of international economic negotiations both in the United Nations and elsewhere. Today, out of 18 members on the OECD Development Assistance Committee, the U.S. is one of four members—embarrassingly enough, the other three are Austria, Italy, and Switzerland—which have not accepted the target of 0.7 percent of gross national product for official development assistance. Even West

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Germany, our ally on virtually all international economic issues, has seen the negotiating advantages of accepting this target without a specific date of implementation. The next Administration should accept the 0.7 percent target (along with a determination to rebuild our aid program as an instrument of U.S. foreign policy), as part of a strategy to defuse extreme and destabilizing Third World economic demands.

Finally, there remains the question of the highly sensitive and largely U.N.-created linkage between the issues of southern Africa and the Middle East. For both diplomatic and domestic reasons, decoupling these two issues should be a key foreign policy objective of the next Administration. Given the intractability of the Middle East problem, the only possible way for the United States to do this is to move to the forefront of Western powers pressing for racial justice in southern Africa.

Secretary Kissinger's April 1976 speech on Africa represented a welcome break from the past and marked the beginning of a sensible policy toward Rhodesia. But it did not go nearly far enough on the key U.N. issues of Namibia or South Africa itself; far more effective would be for the United States to join others in applying rapidly escalating economic and political pressure on South Africa to end its illegal occupation of Africa's last major colony. Regarding South Africa itself, the next Administration should declare that it will not recognize any partition of South Africa, as with the Transkei, unless a much more equitable distribution of land between blacks and whites is provided and until an impartial internationally monitored referendum of the native populations affected is carried out. The May 1976 success of black African states in blocking an Algerian-led effort to link Zionism with racism in two resolutions of the Economic and Social Council (ECOSOC) suggests rather eloquently that a strategy of tough diplomacy coupled with honest accommodation—e.g., Moynihan's earlier protests over the Zionism resolution, Kissinger's subsequent shift on our Rhodesian policy—does bring dividends and may enable us to break the explosive linkage between the Middle East and southern African problems.

V

There is a last and critical building block in a strategy for restoring U.S. influence in international organizations. Pressing hard for America's rightful role in U.N. bodies entails a need not only to accommodate legitimate policy interests of the Third World but also to think repeatedly of new ways to address constructively its desire for a recognized and larger voice in the management of the interna-

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tional system. Here several possibilities are open outside the formal U.N. framework.

The ongoing 27-nation Conference on International Economic Cooperation in Paris offers a unique opportunity for structured policy discussion between developed and developing countries on the future of the world economy. Yet, already signs are developing that the momentum of the Seventh Special Session is being lost. The Third World countries have collectively and publicly complained of a lack of progress. Perhaps the thought of significant steps forward prior to the next election is too much to expect. It is important, however, to be ready to move quickly as soon as the electoral scene is clarified. The key point is to persuade the Third World that the industrialized societies intend to work with them seriously.

In framing her economic proposals toward the Third World, America must accord much greater recognition than she has to the belief among developing countries that their drive for acceptance as full partners in the international system requires industrialization. The recent American tendency to place almost exclusive stress on the agricultural sector or raw materials in Third World development helps to persuade the Group of 77 that we are not in favor of their industrialization and thus of their full integration into the international system. There is no doubt that our current emphasis on agriculture and minerals is quite realistic in terms of the primary economic needs and opportunities of Third World countries. But the point is precisely that Third World goals reach beyond economics into the realm of politics. This is why the Third World desire to industrialize is so intense, and U.S. economic proposals and statements must begin to reflect that fact.

As to the problem of giving Third World countries a greater share in international economic institutions, some further progress is needed. But there may be other means of giving the developing nations more of a feeling that they control their own fate. At the time of the Marshall Plan, the U.S. government delegated to the Organization for European Economic Cooperation (OEEC)—the agency set up by the West European aid recipients—much of the task of allocating American aid. The result was a system encouraging the Europeans to work together, developing among them a sense that American aid did not mean excessive American influence, bringing about a general feeling of regional responsibility and participation.

By analogy, a significant portion of Western aid to the Third World might be directed away from bilateral programs or multilateral institutions to regional institutions under the control of states in the area

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which could then assume the responsibility for insisting on higher standards of performance. Donor states are bound to insist increasingly on such standards in allocating aid, yet the sensitive issue of outside interference or "neocolonialism" is at the same time raised. One way to solve this dilemma is to ask developing states, as we did the Europeans earlier, either to form special institutions like the OEEC or use existing institutions to shoulder the political burden of insisting on firm standards. Like the Europeans in the 1940s, one could hope they will press for enforcement of these standards because they would not like to see any one of their number waste precious aid resources that could be better used by someone else. The principle is important, and periodic audits could indicate whether the experiment should be encouraged.

In the same vein, the United States might withdraw from some organizations where its presence may be perceived as an effort at domination. Before joining this Administration, our current Under Secretary of State for Economic Affairs and former Assistant Secretary for Latin American Affairs publicly urged that we leave the Organization of American States (OAS). He or his successor should carry out this policy. Although Latin American states declare that they do not want the United States to leave the OAS, American officials involved with the subject concede that the statement is made without passion. The United States should also look at other regional organizations with a view to possible withdrawal; conversely, Washington could consider the admission of important Third World states to, or their association with, key bodies such as the OECD, traditionally regarded as closed to all but the rich.

Finally, the next Administration should also recognize that one important source of Third World discontent is the belief of its leaders that under the joint impact of détente and the highly personalized conduct of U.S. foreign policy since 1969 the United States increasingly treats small powers as marginal to the conduct of world affairs. This lack of attention at the top echelons of the U.S. government has extended even to the most important countries in the Third World, and the disastrous results are apparent in the United Nations and elsewhere. The next Administration should quickly institutionalize formal contact with key Third World countries bilaterally or in a regional or subregional context.

VI

The foregoing strategy clearly will not end our problems at the United Nations. The world organization took controversial decisions

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even when the United States enjoyed its automatic majority. Now that we do not have that majority, we must expect more such decisions. Yet the American future in the organization is far from hopeless. Quite the contrary; if the United States works aggressively both to defend its own interests and to understand and accommodate the interests of others, one very significant element of American influence in the world can again come into play. This is the perception of others that the United States has been and continues to be better at devising pragmatic, workable approaches to international problems than virtually any other state. Since the mid-1960s, the American government has mistakenly failed to exploit this potential source of influence. The next Administration must not make the same error. Then the United States can regain in the United Nations and in multilateral diplomacy generally the role which the strength and skills of this country suggest should be ours.

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COMMENT AND CORRESPONDENCE

STRATEGIC STABILITY

To the Editor:

The article, "Assuring Strategic Stability: An Alternative View" by Jan Lodal, which appeared in the April issue of *Foreign Affairs,* is principally a rebuttal of my article which appeared in the January 1976 issue. I have carefully studied Mr. Lodal's remarks and believe that a rejoinder is necessary.

There are three distinctly different ways, each representing an increasing order of depth and sophistication, in which throw-weight, or any other parameter, can be used as indices of relative capability or of crisis stability:

1. That which each side has *before* a strike;
2. That *surviving* to the United States after an initial counterforce strike by the Soviet side;
3. That remaining to each side *after an exchange* in which the Soviet side attacks U.S. forces and the U.S. responds by reducing the Soviet side's reserved forces to the greatest useful extent.

The analysis in my January article was specifically based on the third of these methods. It is this method which most clearly brings out the stability, or potential instability, of the relationship. It is the indicated method if one judges that we would not have high-quality deterrence if our only recourse, after a purely counterforce attack by the Soviet Union, were immediately to attack Soviet population and industry. Such a response would concede military victory to the Soviet Union and lead to immeasurable destruction in the United States and other parts of the world. In my opinion, a U.S. posture requiring such an immediate response would not provide the high-quality deterrence we need.

Mr. Lodal, on the other hand, emphasizes the adequacy of our deterrent forces, after a Soviet counterforce attack on U.S. forces. Much of his criticism of my article is based either on a confusion of the first or second methods of analysis with the third, or on a misunderstanding of my analysis, using the third method.

Mr. Lodal presents arithmetic showing that hard-target counterforce capability is influenced more by accuracy than by throw-weight. This point would be pertinent if I had used throw-weight as an index in the first method of analysis. The effect of accuracy is fully taken into account in the third method of analysis and should not be a subject of contention between us. The after-exchange balance necessarily takes into account not only the accuracy, but also the yield, number, and reliability of each side's offensive weapons as well as the survivability of the forces being attacked. *After the exchange,* the counterforce hard targets that can be usefully addressed would have been addressed. Hence, *after the exchange* most remaining targets would be relatively soft and many of the originally important parameters, such as accuracy, would become of significantly reduced importance, and throw-weight a much more relevant index.[1]

[1] I have examined indices, other than throw-weight, including equivalent megatons, counter-military potential, warheads, single nuclear delivery vehicles, and a more sophisticated index called "Equivalent Weapons" which sums the capability of weapons against the targets they may be called upon to attack, including those that are relatively hard as well as those that are relatively soft; the last is designed to take into account all the relevant characteristics of both the weapons and the targets. Each of these indices produces roughly similar after-exchange results; what is important is not which index is used but whether the third method of analysis, rather than the first or second, is used.

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Mr. Lodal also argues that throw-weight is not a good index because, particularly when bombers are included, it is difficult to define. He asserts that my assumptions regarding this definition "go too far in favoring the Soviets. If one were to use gross U.S. bomber payload, the Soviet projected throw-weight advantage in 1984 would disappear entirely." (p. 466, footnote 8.) Gross bomber payload, since it bears scant relationship to the weapons which can actually be carried and delivered to target, is clearly not comparable to missile throw-weight. Missile throw-weight, by contrast, is by its definition limited to the useful weight which can be propelled to the assigned target including, in the case of MIRVs, that weight used to distribute RVs among the several assigned targets.

Concluding on this point, Mr. Lodal also contends that it is "difficult" to use throw-weight as an index because of the possibility of "range/payload" tradeoffs in, for example, the Trident missile. My analysis is based on U.S. plans as they exist. Mr. Lodal notes that these plans sacrifice throw-weight to get survivability. To give these plans the maximum possible credit, my analysis actually assumes that the at-sea SLBMs are *100-percent survivable* in the after-exchange situation. The alternative, to increase U.S. SLBM throw-weight, would (as Mr. Lodal points out) reduce survivability and hence would improve only the before-strike and not the after-exchange balance.

Next, Mr. Lodal infers (p. 466) that in my postulated exchange "most U.S. SLBMs were assumed to be used to attack Soviet silos" and argues that if the SLBMs and alert bombers were "simply held in reserve," the "'after-attack' residual throw-weight advantage of the Soviets might be considerably less." These contentions are based on a misunderstanding of my analysis. Contrary to his suggestion, no SLBMs were used to attack silos on either side. In my analysis, the Soviets were assumed to attack U.S. forces in a manner which would give them the greatest net advantage at the end of an exchange, including U.S. retaliation against the Soviet reserve forces. U.S. retaliation was in the analysis limited so that a pound of U.S. missile throw-weight knocks out more than a pound of Soviet reserve force throw-weight. Where appropriate, SLBMs were used against bomber bases; those SLBMs not used were *retained as reserve and assumed to survive for an unlimited period.*

In my analysis U.S. alert bombers were, however, used in striking Soviet counterforce targets and constituted a significant component of the effectiveness of that attack. They were not assumed to be held in reserve since most of them would then have been subject to destruction similar to that assumed for nonalert bombers. The number of available long runways is not large. The Soviets could deny us these runways at the cost of a very modest amount of their throw-weight. The Soviet side would, therefore, gain in net residual advantage if we attempted to hold our bombers in reserve.

This point bears directly on a key argument made by Mr. Lodal (at p. 467): "In particular, even if the Soviets destroyed all our land-based ICBMs, nonalert bombers and nonalert submarine-launched ballistic missiles (SLBMs), we would still retain our alert bomber force and our alert SLBM force. These forces alone would be capable of delivering something like 4–5,000 nuclear weapons against Soviet targets. I find it difficult to conceive of a military need for more than 4–5,000 nuclear weapons, albeit weapons much smaller than the relatively large Soviet weapons." This statement reflects the second method of analysis, not the third method used in my article. Following the initial Soviet attack, approximately half the surviving U.S. weapons and a very large percentage of their

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aggregate damage potential would be in the surviving bomber force. A prompt decision would then have to be made as to whether to direct these bomber weapons at Soviet urban-industrial targets or at counterforce targets. My method of analysis assumed the latter. The Soviet side, however, would never be certain that we would not exercise the first alternative, immediately to strike their cities and industry, despite the desperate consequences to us and the world of doing so. It is upon this uncertainty that Mr. Lodal's alternative view appears to be based.

In the November 1975 issue of *Communist of the Armed Forces,* the leading Soviet military journal, the following statement appears:

> The premise of Marxism-Leninism on war as a continuation of policy by military means remains true in an atmosphere of fundamental changes in military matters. The attempt of certain bourgeois ideologists to prove that nuclear missile weapons leave war outside the framework of policy, and that nuclear war moves beyond the control of policy, ceases to be an instrument of policy and does not constitute its continuation is theoretically incorrect and politically reactionary.

I find it hard to accept the viewpoint that the United States should be less interested than the Soviet Union in the continuing control of policy over military strategy. To permit one's country to arrive at a position where it could have little choice but immediately to escalate a war to the ultimate violence which modern technology makes possible, does not seem to me to be wise policy, or to be necessary.

In order to assure such crisis stability, rough parity and high-quality deterrence, as measured by the third method of analysis, it is a prerequisite that U.S. deterrent forces be reasonably survivable against a Soviet initial attack. This part of the analysis is covered by the second method emphasized by Mr. Lodal. As a result there is a degree of overlap and correspondence between his judgments and mine. He also would take steps to improve the survivability of our Minuteman forces. But the methods he suggests have been given far less scientific and technical study than the methods I have recommended, namely a so-called multiple launch-point system for our land-based ICBMs. (Incidentally, in a recent discussion, Mr. Lodal agreed that if it were decided to pursue a new basing mode for Minuteman, he would also favor pursuing the approach on which my $15 billion cost estimate was based rather than the one on which his $30 billion cost estimate was based.)

He also would advocate an improvement in U.S. missile accuracy, and suggests that accuracies of 0.06 NM are wholly possible for both sides by the late 1980s. My analysis was based on the less radical estimates for the accuracy of deployed systems given by most responsible authorities for the period up to 1985, that covered by my analysis.

I did not recommend against a SALT agreement based on the Vladivostok Accord. Indeed, my analysis was based on the assumption that such an agreement would be entered into. Mr. Lodal also hopes that such an agreement would not inhibit us from mitigating the effects of permitted Soviet deployments by developing and deploying medium-range air-launched cruise missiles—a point I believe critically important.

As a final point, if one assumes that the immediate response of the United States to a Soviet counterforce attack should be an attack on Soviet population and industry, and that the Soviet Union will have no appreciable ABM defenses, little of our presumed technological advantage would be of much significance. A reasonable number of very large single-warhead weapons, not necessarily of high accuracy, which could be launched on assured warning of attack, to ground-burst

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in the Soviet Union with maximum fallout effect, would be much more devastating against population and industry and much more difficult for civil defense measures to protect against than the larger number of smaller but more accurate weapons our advanced technology makes possible. For years we have been using our technology to get away from such a high-risk doomsday strategy—I believe correctly.

PAUL H. NITZE
Washington, D.C.

FOOD AND FREE ENTERPRISE

To the Editor:

In her article on "Food Politics" in your January issue, Emma Rothschild invited her readers to "examine openly the political implications and international consequences of the choice between planning and free enterprise in U.S. agricultural policy." Having done so, I would not dispute the thrust of her argument that from now on U.S. agricultural policy must be developed in a total international context. However, I believe she has drawn the policy choice between planning and free enterprise oversharply and has thus failed to distinguish between the kind of planning which characterized the 1930s, 1950s, and 1960s—when price, stocks, and food aid policies were all a function of domestic farm income goals—and the kind of planning needed in circumstances which call for internationalization of U.S. food policy.

An important shift in economic philosophy and practice did accompany Nixon's election in 1968, and it can in part be attributed to doctrinal adherence of the new leadership to "free market" principles. But it also came about in part because the climate was right for change and the groundwork had already been laid.

In the case of domestic agricultural policy, Ms. Rothschild herself notes that there was dissatisfaction with the government programs of the 1960s because they were expensive and failed to provide farmers a decent income. For example, U.S. wheat carryover in 1960 was 1.3 billion bushels (35.4 million metric tons). This was widely regarded as an excessive, price-depressing surplus. Aggressive market development programs, production controls, export subsidies, and PL480 were all utilized throughout the 1960s in efforts to reduce it, and changes were introduced in the wheat program as early as 1964 in hopes of preventing it from recurring. Our experience with other major crop programs was similar. When the comprehensive Agricultural Act of 1965 was passed, lowering price supports and introducing measures to reduce stocks, the need for more market orientation, less government intervention and freer trade in American agriculture was already widely acknowledged.

Beginning in 1972, the desire to keep U.S. grain reserves low and maximize exports has also dovetailed with diplomatic objectives in the Soviet Union, Eastern Europe and the Middle East, giving the United States the appearance of using its food exports as a foreign policy tool even where this may not have been the case.

Ms. Rothschild is unquestionably right in pinpointing the lack of an adequate reserves component as one of the major deficiencies of current U.S. food policy. Consuming groups in both developed and developing countries have at various times been adversely affected by the complete elimination of U.S. government-held stocks in 1972 and the deliberate refusal since then to agree to any reserves scheme which might lead to some reaccumulation.

But the objective of a U.S. reserves policy should not be the kind of price stability which prevailed from 1956 to 1972. During that period world market prices were

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held constant at relatively low levels because of chronic U.S. surpluses, and many developing countries became reliant on low-priced concessionary food imports from the United States rather than taking the measures necessary to develop their own food production capacity.

Nor do we need a reserve simply in order to meet our own food aid commitments —the Commodity Credit Corporation possesses sufficient authority to permit direct purchases if necessary to satisfy emergency humanitarian food needs. And the changes in PL480 legislated in 1975 are responsive to the need for more distributive equity than prevailed during the past two decades when PL480 was utilized primarily as a surplus disposal program.

What we do need is at least a minimal reserve in order to curb the extreme volatility of world market prices which we have experienced in the absence of reserves since 1972. When demand is pressing against supply, and prices fluctuate sharply, fuel is added to worldwide inflation, the balance-of-payments problems of poorer importing countries are aggravated, and producers in both developed and developing countries cannot plan rationally because of uncertainty about price prospects.

The Soviet Union is by far the largest potentially disruptive actor in world grain markets. If we continued our current de facto policy of controlling exports to the U.S.S.R., the United States could probably give its own consumers and its other trading partners, including the developing countries, an adequate supply assurance at a much lower level than the 60-million-ton wheat and feedgrain reserve currently proposed for an international system including the Soviets. Without making any major change in domestic farm policy, the United States could announce stock carryover targets for the major grains each year. Assurances that the United States would actually act to see that its stocks goals were achieved could be provided either by adapting the grain reseal program which permits producers to retain title to grain stored for future sale, or by acknowledging the necessity for some direct government purchases if the private sector failed to carry over the desired quantity.

It would, of course, be preferable if the United States could operate such a reserves system in the context of an international world food security arrangement. No matter how well intentioned, a food reserve operated unilaterally by the United States would always be subject to possible political pressures. However, it would probably not be wise policy for the United States to agree to an international reserves scheme which enforced a single set of minimum and maximum grain prices on all participants.

A food policy which allows for price movements is correct for the United States because it will encourage American producers to maximize their production potential and force American consumers to make adjustments in their consumption habits, particularly of livestock products, when additional grain is needed to meet world food requirements. However, many other countries, particularly developing countries where most of the population lives close to the subsistence margin, cannot tolerate the same degree of price variation as the United States. An international reserves system which acknowledges that different price bands are both desirable and acceptable in different countries, perhaps one based on risk and insurance theory rather than the more traditional consumer and producer welfare analysis, therefore seems a proper U.S. policy goal.

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Ms. Rothschild replies:

One of the kinds of planning I had in mind—the most urgent—has to do with U.S. food exports to developing countries. As Ms. Huddleston writes, "consuming groups . . . in developing countries" have been "adversely affected" by the changes in U.S. food prices since 1972. Food aid policies alone cannot prevent even the worst of these adverse effects. The United States should, I think, consider "planning" its food exports by permitting the poorer developing countries some form of privileged access to U.S. exports when prices increase suddenly.

I think it will be difficult to distinguish the "international context" of U.S. food policy from "domestic farm income goals." After all, more than half of all U.S. wheat, for example, is produced for export, and two-thirds of the wheat exported goes to developing countries. Domestic choices will inevitably affect other countries, in a situation where more than a third of all U.S. wheat is grown for export to the developing world. Ms. Huddleston expects that a policy of fairly freely fluctuating prices will "encourage American producers to maximize their production potential. . . ." Yet the most important market for this increased production will be in the developing countries. A policy which encourages maximum production might, I believe, lead the U.S. government back to the policies of export promotion which have in the past so contributed to the dependence of foreign countries.

A report on "Alternative Futures for U.S. Agriculture," prepared recently by the U.S. Department of Agriculture's Office of Planning and Evaluation, illustrates this conflict. The study distinguishes much more sharply than I did between the "market-oriented policies of the early 1970s" and "the generalized set [of interventionist policies] characteristic of the period between 1930 and 1970." In the "Maximum Efficiency" or market-oriented future "nearly all of the increased production will have to be utilized by higher levels of exports." The report states: "It is likely that vigorous market expansion programs by both government and private groups will be required to achieve these rates of growth." (Other consequences include the end of many small farms, and a reduction in farm employment.) It is in long-term considerations of this sort that international and domestic policies seem so difficult to disentangle.

AFRICA

To the Editor:

I. William Zartman's article, "Europe and Africa: Decolonization or Dependency?" in your January issue, certainly scores points against those who hold that behind the flag-and-anthem ceremonies of African independence nothing of any substance was occurring since direct political domination was merely giving way to indirect economic control. All too often "dependency theory" has been just as Mr. Zartman describes it—ahistorical, static, and inclined to mistake the logic of its own argument for the logic of history. He might well have added that this same school of thought, in insisting on ascribing so much influence to forces external to the Third World, ironically repeats the arrogance of earlier Western imperialists who likewise imagined that all things in these lands occurred simply at the fiat of London or Paris. In both cases the importance of developments within Africa are (and were) too quickly discounted.

At the same time, however, Mr. Zartman overstates the shortcomings of dependency theory and unwittingly provides an example of a kind of theoretical problem a more careful reading of this school might have prompted him to avoid.

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For it is not the case that all dependency theorists argue that "things really have not changed since colonial times." In important respects many dependency theorists might agree with Mr. Zartman's "decolonization theory" which holds that Africans are exercising more control over a host of matters ranging from military command and monetary policy to investment rights and trading privileges.

Where disagreement would enter is with Mr. Zartman's failure to balance his discussion of areas in which African initiative is expanding with other developments tending, to the contrary, to create new forms of reliance on the former imperial centers. Surely Latin America, which by each of Mr. Zartman's measures is more advanced than Africa, gives abundant examples of the importance of external pressures on internal politics. Is the Lomé Convention, which his article presents as a meaningful multilateralization of the former bilateral ties, at all indicative of greater African freedom in the international arena? Such a view may be news to American businessmen, who will find that Lomé, while it waives trade preference reciprocity, officially associates European business and government in African development much more closely than hitherto, in a manner probably prejudicial to outside economic interests. To the extent that Latin America's present is Africa's future, there can be legitimate doubt that "dependency" will soon be displaced by "decolonization" theory.

If dependency theory has typically underestimated the significance of decolonization, this grants no license now to exaggerate it. With decolonization, local power units increased in strength, becoming more complex in the functions they were able to perform and more able to initiate action at the local level without the direct mediation of a higher authority. But it is debatable that the "transfer of power" was redistributive in effect. For political independence and its economic sequels have not notably diminished the power of the West as far as most of Africa is concerned.

Advances in the world economic system made colonial boundaries obsolete; the growth of client groups within the colonial territories who were able to undertake local administration made colonialism internally obsolete as well. If the real power of these new political units has grown, however, their relative power has not. Like the labor unions in the West two and three generations ago, new power units are emerging whose demands will have to be respected. This power is real and its possessors may expect benefits to flow to them on its account. But it will be a long time indeed before Africa has developed the economic self-sufficiency and the political invulnerability to moderate its extreme sensitivity to outside forces. Only then will dependency theory cease to be relevant to our understanding of what is happening there.

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THE MAKING OF A MISSILE CRISIS: OCTOBER 1962. By Herbert S. Dinerstein. Baltimore: Johns Hopkins University Press, 1976, 302 pp. $14.95.

Professor Dinerstein proves once again that a fresh approach can draw new and important insights from an already well-examined historical episode. In particular, he examines in detail the developments leading up to the missile crisis—the Guatemalan crisis of 1954, the Cuban Revolution, the Cuban-Soviet alliance, and the internal policy debate and divisions within the Soviet Union.

THE INFLUENCE OF LAW ON SEA POWER. By D. P. O'Connell. Annapolis: Naval Institute Press, 1976, 204 pp. $14.95.

The author, professor of international law at Oxford and a reserve naval officer, examines historical cases and contemporary developments to determine the role of international law in naval planning. A significant contribution to the literature on sea power in the modern world.

THE WORLD AND THE GREAT-POWER TRIANGLES. Edited by William E. Griffith. Cambridge: MIT Press, 1975, 480 pp. $19.95.

The contributors to this valuable symposium analyze regional developments in the light of détente and the fragmentation of bipolarity into two triangles: political-military (the U.S., the U.S.S.R., and China) and economic (the U.S., the EEC, and Japan). Regional foci include the Balkans, Middle East, South Asia, and Northeast Asia.

BUSINESS CIVILIZATION IN DECLINE. By Robert L. Heilbroner. New York: Norton, 1976, 127 pp. $6.95 (Paper, $2.95).

Heilbroner's argument in this thoughtful and stimulating book is that the disorders of capitalism are leading inevitably to socialistic economic planning. Even staunch capitalists will have to judge this an optimistic turn in Heilbroner's thinking, coming as it does hard on the heels of his extremely pessimistic *An Inquiry Into the Human Prospect.*

DÉTENTE. Edited by G. R. Urban. New York: Universe Books, 1976, 368 pp. $20.00.

This symposium originated in a series of Radio Free Europe dialogues between the editor and 13 distinguished Europeans and Americans. The dialogues provide what many would regard as an overly optimistic assessment of détente, although some participants do express strong reservations.

IMPERIALISM: THE ROBINSON AND GALLAGHER CONTROVERSY. Edited by William Roger Louis. New York: New Viewpoints, 1976, 252 pp. $12.50 (Paper, $6.95).

The "imperialism of free trade" thesis as applied to British expansionism in the late

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nineteenth century has generated considerable controversy. The present volume presents a judicious assessment of its merits.

HUMAN BEHAVIOR AND WORLD POLITICS. By Ralph Pettman. New York: St. Martin, 1976, 342 pp. $12.95.

The author draws upon a diversity of materials and disciplines to assess the present status and future of the human condition and the possibilities for a theory of contemporary international relations.

SOCIAL CHANGE, CHARISMA AND INTERNATIONAL BEHAVIOUR: TOWARD A THEORY OF FOREIGN POLICY-MAKING IN THE THIRD WORLD. By Bahgat Korany. Leiden: Sijthoff (for the Institut Universitaire de Hautes Études Internationales, Geneva), 1976, 460 pp.

The purpose of this book is the development of a theory of political nonalignment and its application to Nasser's Egypt and Nehru's India, in particular. The author's skillful critique of Western theories of international relations is worthy of note.

CASE STUDIES ON HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS: A WORLD SURVEY. Edited by Willem A. Veenhoven and others. The Hague: Nijhoff (for the Foundation for the Study of Plural Societies), 1975, 2 v.

The 36 essays in these volumes survey racial and other forms of discrimination around the world. The selection (including a brief defense of South Africa) seeks in effect to argue: let him without sin cast the first stone.

WHY MARXISM? THE CONTINUING SUCCESS OF A FAILED THEORY. By Robert G. Wesson. New York: Basic Books, 1976, 281 pp. $12.95.

Why, the author asks, despite its many failures in prediction and practice, does Marxism have such a worldwide appeal? The reason, he suggests, is that it can be made to serve the needs of diverse protest groups and radical movements. A well-written book.

LA TENTATION TOTALITAIRE. By Jean-François Revel. Paris: Laffont, 1976, 369 pp. Fr. 39.

In this timely polemic, Revel warns French and other Socialists that the essence of communism is Stalinism and that totalitarian nation-states rather than planetary socialism will succeed the demise of international capitalism.

THE REVOLUTIONARY ASCETIC: EVOLUTION OF A POLITICAL TYPE. By Bruce Mazlish. New York: Basic Books, 1976, 261 pp. $11.95.

The theme of this provocative psycho-history is that the needs of modernizing revolutions have thrust to the fore a special kind of modern political type, the revolutionary ascetic: Cromwell, Robespierre, Lenin, and Mao.

THE INTERNATIONAL YEARBOOK OF FOREIGN POLICY ANALYSIS: VOLUME 2. Edited by Peter Jones. London: Croom Helm, 1975/New York: Crane, Russak, 1976, 266 pp. $15.00.

This useful collection of original articles analyzes the foreign policies of the major powers and international policy issues and problems, with emphasis on the years 1973 and 1974. Of particular note is an essay by Karl Deutsch on peace research.

General: Military, Technological, and Scientific

Andrew J. Pierre

A MAN CALLED INTREPID: THE SECRET WAR. By William Stevenson. New York: Harcourt Brace Jovanovich, 1976, 486 pp. $12.95.

The remarkable and gifted work of Sir William Stephenson as head of British Security Coordination in America during World War II has already been the subject of a classic of intelligence history, H. Montgomery Hyde's *Room 3603* (*The Quiet Cana-*

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dian, in Britain), published in 1962. The present study by a Canadian journalist (no relation) embellishes the story with recent revelations concerning Ultra, the breaking of the high-level German Enigma cipher—on which, however, the account of Sir William's role remains murky and in some respects inaccurate—as well as with material from the now-published history of the British Special Operations Executive. While the result may be appealing to lay readers, in every substantial respect, as well as in tone and style, the earlier Hyde treatment is far superior. W.P.B.

THE WORLD AT WAR: THE CRUCIAL YEARS, 1939–1941. By Hanson W. Baldwin. New York: Harper & Row, 1976, 499 pp. $20.00.

This first installment of a history of World War II deals with the most neglected period in American scholarship—the years before Pearl Harbor. The author, one of the most knowledgeable military correspondents of those times, provides a dramatic, detailed and very human narrative of the men and the events.

MODERNIZING THE STRATEGIC BOMBER FORCE: WHY AND HOW. By Alton H. Quanbeck and Archie L. Wood, with the assistance of Louisa Thoron. Washington: Brookings Institution, 1976, 116 pp. $2.95 (Paper).

An outstanding analysis of the complex and controversial B-1 bomber issue. In this closely reasoned piece, the authors examine five alternative bomber forces in terms of relative costs and of expected performances against various hypothetical threats. Concluding that the proper future role of such a force is to act as insurance against the failure of land-based missile forces, they argue that this can be adequately achieved with the present B-52s, and ultimately by a missile-carrying "stand-off" bomber, a less expensive weapon system than the B-1.

WHERE DOES THE MARINE CORPS GO FROM HERE? By Martin Binkin and Jeffrey Record. Washington: Brookings Institution, 1976, 93 pp. $2.95 (Paper).

The assumption guiding this study is that the proud, 200-year-old Corps must develop a new mission in a post-Vietnam age when future U.S. military interventions—especially with amphibious landings on beaches—are a shrinking prospect. The authors produce imaginative and provocative suggestions for restructuring the mission and the forces of the Corps.

THE STRATEGIC BALANCE IN THE MEDITERRANEAN. By Jesse W. Lewis, Jr. Washington: American Enterprise Institute for Public Policy Research, 1976, 169 pp. $3.75 (Paper).

An informative, up-to-date work which provides much data on the Soviet and American naval presences in the Mediterranean, as well as past and potential sources of conflict in the region, but avoids an overly facile evaluation of the "strategic balance."

THE SOVIET NAVAL OFFENSIVE. By Edward Wegener. Annapolis: Naval Institute Press, 1975, 134 pp. $11.00.

A thoughtful essay by a retired West German admiral which describes the political and military motivation for the postwar Soviet drive to become an oceanic power, yet foreswears alarmist statements about the diminishing capabilities of the Western navies.

PEACE SOLDIERS: THE SOCIOLOGY OF A UNITED NATIONS MILITARY FORCE. By Charles C. Moskos, Jr. Chicago: University of Chicago Press, 1976, 171 pp. $11.00.

This short but finely honed book presents an exquisite analysis of UNFICYP, the U.N. peacekeeping force in Cyprus. The author, an eminent sociologist whose speciality is the military profession, challenges conventional wisdom, arguing that participation in a peackeeping force does not automatically foster international values. The soldiers on Cyprus withheld final allegiance to the U.N. as their evaluation of peacekeeping

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"evolved from naive optimism through cynical disillusionment to an eventual realistically favorable appreciation."

FRIEDEN UND SICHERHEIT IN EUROPA. By Gerhard Wettig. Stuttgart: Seewald, 1975, 264 pp. DM. 22.

A respected West German analyst's skeptical view of the Conference on Security and Cooperation (CSCE) and the East-West troop negotiations (MBFR). Wettig highlights the Eastern objectives in these negotiations, making extensive use of Soviet and East European documentation.

INTERNATIONAL TERRORISM AND POLITICAL CRIMES. Edited by M. Cherif Bassiouni. Springfield (Ill.); Charles C. Thomas, 1975, 594 pp. $28.50 (Paper, $19.75).

A compendium which focuses on terrorism from the perspective of international criminal law in a remarkably even-handed manner. Human rights, the role of the media, the insights of psychology, and the causes of wars of national liberation are successfully blended with discussions of hijacking, kidnapping, and related political crimes.

INTERNATIONAL TERRORISM: NATIONAL, REGIONAL, AND GLOBAL PERSPECTIVES. Edited by Yonah Alexander. New York: Praeger, 1976, 390 pp. $22.50.

The value of this large anthology is in its wide-ranging diversity, with essays dealing with every region of the world. A chapter on Soviet policy toward international terrorism—mainly on Moscow's support for the PLO—is a useful addition to the existing literature.

THE POLITICS OF SPACE: A COMPARISON OF THE SOVIET AND AMERICAN SPACE PROGRAMS. By William H. Schauer. New York: Holmes & Meier, 1976, 317 pp. $24.50.

An informative and extensive study of the Soviet space program since sputnik, which also examines efforts toward international cooperation and draws some useful comparisons with the American space program. Political motivations, economic incentives and military aims are all carefully scrutinized.

SCIENCE AND MORALITY. By A. Alexandrov and others. Moscow: Progress Publishers, 1975, 277 pp. (Chicago: Imported Publications, distributor, $3.25).

A collection of rather abstract essays on the relationship between science and morality, between the search for the "truth" and the "good," based on the "scientific communism" of Marx, Engels and Lenin. Chiefly of interest because of the book's origin.

General: Economic and Social
William Diebold, Jr.

INTERNATIONAL ECONOMIC RELATIONS OF THE WESTERN WORLD, 1959–1971. Edited by Andrew Shonfield, assisted by Hermia Oliver. New York: Oxford University Press (for the Royal Institute of International Affairs), 1976, 2 v. $28.75 each. (VOLUME 1: POLITICS AND TRADE, by Andrew Shonfield and others, 459 pp.; VOLUME 2: INTERNATIONAL MONETARY RELATIONS, by Susan Strange, 416 pp.)

". . . To explore a style of international behaviour associated with a particular epoch . . ." was the aim set out by Andrew Shonfield and his colleagues at Chatham House. The result is a major work, indispensable for an understanding of a period that saw some of the greatest achievements of the postwar system as well as the changes that created the crises of the 1970s. In Volume 1, Shonfield interprets the broad economic and political developments in a long essay, followed by close studies of trade prob-

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lems by Gerard and Victoria Curzon and T. K. Warley. Susan Strange's analytical history of the monetary affairs of the period fills almost all the second volume. She concludes that the United States should propose a new political framework in which the world can deal with international money. Shorter essays discuss development financing and "the internationalization of economic analysis." Not only valuable but interesting.

TECHNOLOGY AND ECONOMIC INTERDEPENDENCE. By Harry G. Johnson. New York: St. Martin (for the Trade Policy Research Centre, London), 1976, 187 pp. $16.95.

Insisting persuasively on the economic character of technology, Professor Johnson deals some hard knocks to widely held views about economic growth, multinational corporations, the environment, the brain drain, and science policy. One of his best books.

TRADE EFFECTS OF PUBLIC SUBSIDIES TO PRIVATE ENTERPRISE. By Geoffrey Denton, Seamus O'Cleireacain, and Sally Ash. London: Macmillan Press (for the Trade Policy Research Centre), 1975, 293 pp. £10.00.

More talked about than studied, subsidies will be a central problem for international economic relations in the years ahead. This hard-digging, clearly written work illuminates some British experience with industrial policy, but frankly shows how hard it is going to be to get satisfactory answers to some of the key questions.

MONEY AND THE COMING WORLD ORDER. Edited by David P. Calleo. New York: New York University Press (for the Lehrman Institute), 1976, 120 pp. $7.95 (Paper, $3.95).

Stalemate—but tolerable and lasting? A system that needs an unfindable leader? Incipient blocs? Fixed rates with national discipline and no official reserve currencies? These four views—and some variants—are effectively argued in these papers by Harold van B. Cleveland, Charles P. Kindleberger, the editor, and Lewis E. Lehrman.

INTERNATIONAL ECONOMICS OF POLLUTION. By Ingo Walter. New York: Halsted Press, 1976, 208 pp. $17.50.

STUDIES IN INTERNATIONAL ENVIRONMENTAL ECONOMICS. Edited by Ingo Walter. New York: Wiley, 1976, 364 pp. $22.95.

The succinct and systematic laying out of issues makes Professor Walter's short volume probably the best introduction that has appeared. Some of the studies in the longer work remind us that it will be hard to put wisdom into practice.

THE ECONOMIC SUPERPOWERS AND THE ENVIRONMENT: THE UNITED STATES, THE SOVIET UNION, AND JAPAN. By Donald R. Kelley, Kenneth R. Stunkel, and Richard R. Wescott. San Francisco: Freeman, 1976, 335 pp. $11.95 (Paper, $5.95).

What each country is doing; a very solid contribution.

THE INTERNATIONAL POLITICS OF NATURAL RESOURCES. By Zuhayr Mikdashi. Ithaca: Cornell University Press, 1976, 214 pp. $12.50.

NEGOTIATING THIRD-WORLD MINERAL AGREEMENTS: PROMISES AS PROLOGUE. By David N. Smith and Louis T. Wells, Jr. Cambridge: Ballinger, 1975, 266 pp. $17.50.

Both books help one to understand a crucial current issue: the restructuring of the world's raw materials industries. Professor Mikdashi of Beirut builds on solid work on OPEC and related efforts to suggest areas of compromise between producers and consumers. Professors Smith and Wells, of the law and business schools at Harvard respectively, go deeply into details of possible arrangements and the negotiating process itself.

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A WORLD OF SCARCITIES: CRITICAL ISSUES IN PUBLIC POLICY. By David Novick and others. New York: Halsted Press, 1976, 194 pp. $19.00.

". . . The shortage is really in man's ideas and planning," so the author draws on his experience in the U.S. government to make some suggestions. Seven commodity studies fill in some details.

COMMODITY TRADE OF THE THIRD WORLD. Edited by Cheryl Payer. New York: Halsted Press, 1976, 192 pp. $24.50.

". . . High commodity prices are no answer in themselves to the problems of poverty in the Third World and may even contribute to its exacerbation." A collapse of the world market would also not help. The editor's conclusions are buttressed by seven case studies showing how hard it is to generalize about commodities. A good book.

COPING WITH THE OIL CRISIS: FRENCH AND GERMAN EXPERIENCES. By Horst Mendershausen. Baltimore: Johns Hopkins University Press (for Resources for the Future), 1976, 110 pp. $7.50 (Paper, $2.95).

THE OIL CRISIS. Edited by Raymond Vernon. New York: Norton, 1976, 301 pp. $12.50 (Paper, $4.95).

Mendershausen guides us lucidly and intelligently through the differences (and occasional similarities) of French and German responses to the crisis, but cannot say who, in the end, is better off. Vernon's team (appearing originally in *Daedalus*) cover a wider range. We can hope for more analytical history of the change in the world's oil regime as good as these two volumes.

HANDELSPARTNER DDR—INNERDEUTSCHE WIRTSCHAFTSBEZIEHUNGEN. By Claus-Dieter Ehlermann and others. Baden-Baden: Nomos, 1975, 336 pp. DM. 37.

Four West Germans (Ehlermann, Siegfried Kupper, Horst Lambrecht, and Gerhard Ollig) provide the best single volume on the political, economic and legal history of trade between their country and the German Democratic Republic. A particularly useful chapter deals with the special status of the relation in the European Community. Documents, statistics and bibliography.

DIRECT WESTERN INVESTMENT IN EAST EUROPE. By Iancu Spigler. Oxford: St. Antony's College/Holdan Books, 1975, 346 pp. £6.00 (Paper).

This useful step-by-step analysis of the problems of joining flexible Western management to rather rigid Eastern methods benefits from the author's knowledge of how communist economies work. Unfortunately, he has little to say about actual cases.

FOREIGN TRADE REGIMES AND ECONOMIC DEVELOPMENT. New York: National Bureau of Economic Research (New York: Columbia University Press, distributor). VOL. IV: EGYPT. By Bent Hansen and Karim Nashashibi. 1976, 358 pp. $17.50. VOL. VI: INDIA. By Jagdish N. Bhagwati and T. N. Srinivasan. 1975, 261 pp. $15.00 (Paper, $5.00).

The nationalization of Egyptian foreign trade and the growth of a large public sector reduce the possibility of drawing sharp and sweeping conclusions about exchange rate and foreign trade policies. The authors of the other volume, in contrast, have no doubt about the damage done by India's foreign trade controls and domestic licensing. They recommend action on liberalization and the exchange rate. Two valuable additions to a first-rate series.

ECONOMIC PLANNING, EAST AND WEST. Edited by Morris Bornstein. Cambridge: Ballinger, 1975, 334 pp.

MATHEMATICAL THEORY IN SOVIET PLANNING: CONCEPTS, METHODS, TECHNIQUES. By Alfred Zauberman. New York: Oxford University Press (for the Royal Institute of International Affairs), 1976, 464 pp. $42.50.

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Studies of Poland, Hungary, France, Japan, and four major topics make up an interesting work that is supplemented in depth by a highly specialized volume on important developments in Soviet planning.

FRENCH ECONOMIC GROWTH. By J.-J. Carré, P. Dubois, and E. Malinvaud. Stanford: Stanford University Press, 1975, 581 pp. $22.50.

Multiple causes, domestic and international, and some quite old, are given credit for France's record postwar growth, in this thoughtful analysis. (A translation of *La Croissance française,* Paris: Seuil, 1972.)

SOCIAL POLICY OF THE EUROPEAN ECONOMIC COMMUNITY. By Doreen Collins. New York: Halsted Press, 1975, 286 pp. $19.75.

A lecturer at Leeds, Ms. Collins deals thoughtfully with a somewhat neglected area of Community work: employment, working conditions, labor migration, the harmonization of social security.

COLONIAL DEVELOPMENT: AN ECONOMETRIC STUDY. By Thomas B. Birnberg and Stephen A. Resnick. New Haven: Yale University Press, 1975, 347 pp. $20.00.

Government expenditures are shown to be an important factor in the development of countries (not all really colonies) that depend heavily on exports of primary products to industrialized markets.

The United States

Gaddis Smith

DIPLOMACY FOR A CROWDED WORLD: AN AMERICAN FOREIGN POLICY. By George W. Ball. Boston: Atlantic–Little, Brown, 1976, 356 pp. $12.95.

The author was Undersecretary of State from 1961 to 1966. An articulate critic both in and outside of government, he here gives the foreign policies and diplomacy of Kissinger-Nixon-Ford a scrubbing—with razors. He is especially cutting in his treatment of summitry, unilateralism, egomania, and secrecy.

THE SECRET CONVERSATIONS OF HENRY KISSINGER: STEP-BY-STEP DIPLOMACY IN THE MIDDLE EAST. By Matti Golan. New York: Quadrangle/The New York Times Book Company, 1976, 280 pp. $8.95.

The first version of this excoriating attack on Kissinger for "perfidy," "deception," and "broken promises" to Israel was denied publication by the Israeli government. The author somehow had access to highly classified and embarrassing material.

THE VIETNAM LEGACY: THE WAR, AMERICAN SOCIETY AND THE FUTURE OF AMERICAN FOREIGN POLICY. Edited by Anthony Lake. New York: New York University Press (for the Council on Foreign Relations), 1976, 440 pp. $20.00.

This collection of searching essays seeks "to examine the lessons of Vietnam before debate ends and they become doctrine." The 23 authors include scholars from a variety of disciplines, political and military leaders, and former makers of foreign policy. While the majority of the contributors are critics of American policy during the Vietnam War, they are united by a concern that the symbol of "Vietnam" could become as rigid and dangerous an influence over the next generation of policy as "Munich" was for the generation just ended.

THE LAST CHOPPER: THE DENOUEMENT OF THE AMERICAN ROLE IN VIETNAM, 1963–1975. By Weldon A. Brown. Port Washington (N.Y.): Kennikat Press, 1976, 371 pp. $15.00.

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This volume completes the author's study of the American role in Vietnam since 1940. His assumptions, as in his first book (*Prelude to Disaster: The American Role in Vietnam, 1940–1963,* reviewed April 1976), are vintage cold war; his sources almost exclusively American and heavily official; his criticisms muted. He considers the lesson of Vietnam obvious and ominous . . . "who will be the last domino?"

ROOTS OF TRAGEDY: THE UNITED STATES AND THE STRUGGLE FOR ASIA, 1945–1953. By Lisle A. Rose. Westport (Conn.): Greenwood Press, 1976, 352 pp. $15.95.

A first-rate survey based substantially on unpublished State Department records. This book will advance a recognition of the crucial importance of the Truman years.

THE STANDARD-VACUUM OIL COMPANY AND UNITED STATES EAST ASIAN POLICY, 1933–1941. By Irvine H. Anderson, Jr. Princeton: Princeton University Press, 1975, 260 pp. $12.50.

This is an original contribution to an understanding of the coming of the Pacific war. The author offers no simple theory of economic determinism, but shows instead how, under the stress of Japanese expansion, "lines of demarcation between diplomatic, military, and corporate responsibility became increasingly blurred."

MICRONESIA: TRUST BETRAYED. ALTRUISM VS. SELF INTEREST IN AMERICAN FOREIGN POLICY. By Donald F. McHenry. Washington: Carnegie Endowment for International Peace, 1976, 260 pp. $10.00 (Paper, $4.95).

A needed survey and criticism of American policy toward and administration of the Trust Territory of Micronesia since World War II. The author handled Dependent Area Affairs in the State Department for a decade, and is sharply critical of specious military justifications for U.S. behavior.

THE FINAL DAYS. By Bob Woodward and Carl Bernstein. New York: Simon and Schuster, 1976, 476 pp. $11.95.

A better book than its notoriety suggests. Much of the material for this account of the disintegration of the Nixon presidency comes from interviews and is not directly attributed and, therefore, not subject to verification. There are a few very short passages of questionable taste about the personal lives of Nixon and his family. But, on balance, the book conveys a sense of reliability.

THE SPOILED CHILD OF THE WESTERN WORLD: THE MISCARRIAGE OF THE AMERICAN IDEA IN OUR TIME. By Henry Fairlie. Garden City: Doubleday, 1976, 350 pp. $8.95.

If Edmund Burke were alive and living in the United States, he could have written this perceptive lament. Fairlie sees Americans drifting selfishly, permissively, with little memory of or respect for community values.

THE CIA FILE. Edited by Robert L. Borosage and John Marks. New York: Grossman, 1976, 236 pp. $8.95.

Collected papers from a 1974 conference by some of the best-known writers on the subject of intelligence gathering and covert action: Marchetti, Wise, Ross, Halperin, Scoville, and others—with a response by William Colby. A useful compendium of what is known or suspected about the CIA.

VAIN HOPES, GRIM REALITIES: THE ECONOMIC CONSEQUENCES OF THE VIETNAM WAR. By Robert Warren Stevens. New York: New Viewpoints, 1976, 229 pp. $12.50 (Paper, $5.95).

A professional economist's estimates of the incremental costs to the American government of fighting the Vietnam War and the consequences to American society of those costs. Clear exposition and a multitude of statistics.

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YEARS OF INFAMY: THE UNTOLD STORY OF AMERICA'S CONCENTRATION CAMPS. By Michi Weglyn. New York: Morrow, 1976, 351 pp. $10.95.

The author as a teenager was one of 110,000 Japanese-Americans interned by the American government during World War II. The book is powerful, passionate, well-documented, a bit rough from a literary point of view, but authentic in tone.

AN AMERICAN FIRST: JOHN T. FLYNN AND THE AMERICA FIRST COMMITTEE. By Michele Flynn Stenehjem. New Rochelle (N.Y.): Arlington House, 1976, 250 pp. $8.95.

A sympathetic study of the New York branch of the noninterventionist America First Committee (1940–41) under the leadership of John T. Flynn. The author emphasizes the cogency of the group's criticism of excessive presidential power in foreign affairs and the smear tactics often employed in rebuttal.

THE SHADOW GOVERNMENT: THE GOVERNMENT'S MULTI-BILLION-DOLLAR GIVEAWAY OF ITS DECISION-MAKING POWERS TO PRIVATE MANAGEMENT CONSULTANTS, "EXPERTS," AND THINK TANKS. By Daniel Guttman and Barry Willner. New York: Pantheon, 1976, 354 pp. $10.00.

A Naderesque description and critique of the extensive and expensive use by government of large private consulting firms. The authors doubt the value of the services performed, note conflicts of interest, and decry secrecy.

THE ROCKEFELLERS: AN AMERICAN DYNASTY. By Peter Collier and David Horowitz. New York: Holt, Rinehart and Winston, 1976, 746 pp., $15.00.

The previous work of the authors of this study would lead one to predict a denunciation to stand with Ida Tarbell's muckraking 1904 attack on Standard Oil. Instead, they present a sensitive family biography, more wistful than angry, more concerned with the impact of immense wealth on individual personality than on society. The authors received special access to the Rockefeller family archives.

EDWARD KENNEDY AND THE CAMELOT LEGACY. By James MacGregor Burns. New York: Norton, 1976, 383 pp. $11.95.

This book is often compared with the author's 1960 quasi-campaign biography of John F. Kennedy, but it is fuller and harsher in some of its judgments. Nevertheless, Burns concludes that Edward Kennedy in 1976 was "in many respects . . . far better prepared, far better equipped, than John Kennedy had been [in 1960] to lead the nation."

ADLAI STEVENSON OF ILLINOIS: THE LIFE OF ADLAI E. STEVENSON. By John Bartlow Martin. Garden City: Doubleday, 1976, 828 pp. $15.00.

An enthralling account of Stevenson's life through the 1952 campaign. The research is meticulous and exhaustive, the writing clear and interesting at all times. This study, together with the volumes of Stevenson papers edited by Walter Johnson, will preserve an understanding of a great man.

ALGER HISS: THE TRUE STORY. By John Chabot Smith. New York: Holt, Rinehart and Winston, 1976, 485 pp. $15.00.

The author believes that he, first and at long last, has assembled convincing evidence that Alger Hiss was wrongly convicted. Alas, in 1976 as in 1950, there are still no final answers in this harrowing case.

PROGNOZIROVANIE I POLITIKA: METODOLOGIIA, ORGANIZATSIIA I ISPOL'ZOVANIE PROGNOZIROVANIIA MEZHDUNARODNYKH OTNOSHENII VO VNESHNEI POLITIKE S SH A. By A. A. Kokoshin. Moscow: "Mezhdunarodnye Otnosheniia," 1975, 176 pp.

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A scholar at Moscow's Institute of the U.S.A. gives quite a thorough survey of American methods, schools of thought, and leading figures in the arcane art of forecasting international developments without benefit of Marxist-Leninist theory. J.C.C.

The Western Hemisphere

Robert D. Crassweller

MIKE: THE MEMOIRS OF THE RIGHT HONOURABLE LESTER B. PEARSON. VOLUME 3: 1957–1968. Edited by John A. Munro and Alex I. Inglis. New York: Quadrangle/The New York Times Book Company, 1976, 338 pp. $12.50.

When Lester Pearson died, he had written a draft of less than half of the third and concluding volume of his memoirs. The editors completed the text by adding material from recorded interviews, diaries, correspondence, speeches, etc. A bit disjointed, but a good source for recent political history. G.S.

GRINGOS FROM THE FAR NORTH: ESSAYS IN THE HISTORY OF CANADIAN-LATIN AMERICAN RELATIONS, 1866–1968. By J. C. M. Ogelsby. Toronto: Maclean-Hunter Press, 1976, 346 pp. $17.95.

The author has made the important but neglected subject of Canada's interaction with Latin America his own. The essays range from economics, to missionary activity, to formal diplomacy. G.S.

THE DOCILE PUERTO RICAN. By René Marqués. Philadelphia: Temple University Press, 1976, 137 pp. $10.00.

The central pillars of these eight essays devoted to the cause of Puerto Rican independence are the identity crisis and the cultural assimilation, which the author, a distinguished intellectual, believes are the inevitable colonial by-product of commonwealth status.

CHANGING JAMAICA. By Adam Kuper. Boston: Routledge & Kegan Paul, 1976, 163 pp. $15.00.

Employing an anthropological approach to the total analysis of Jamaican society, the author concludes, *inter alia,* that the stable two-party political system is likely to endure, principally because of the absence of entrenched racial, ethnic or class blocs.

CENTRAL AMERICA: A NATION DIVIDED. By Ralph Lee Woodward, Jr. New York: Oxford University Press, 1976, 344 pp. $12.95.

The isthmus is presented here in its fragmented complexity, from pre-Hispanic days to the "futbol" war of 1969. The grand theme is union and disunion, and the way of the former is difficult: "The hopes of Francisco Morazán and Salvador Mendieta for a single Central American republic do not appear any nearer fruition than when those men struggled for union."

THE PERUVIAN EXPERIMENT: CONTINUITY AND CHANGE UNDER MILITARY RULE. Edited by Abraham F. Lowenthal. Princeton: Princeton University Press, 1976, 479 pp. $22.50 (Paper, $6.95).

Ten chapters describe and analyze, in more luxurious depth than is customary in studies of this kind, such topics as income distribution, political life, rural politics, land reform, education, foreign investment, workers' role in management, and ideology. Dr. Lowenthal's competent synthesizing essay, "Peru's Ambiguous Revolution," is well-named.

THE JAPANESE AND PERU, 1873–1973. By C. Harvey Gardiner. Albuquerque: University of New Mexico Press, 1975, 202 pp. $12.50.

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Every kind of Japanese-Peruvian interaction is grist for this wide-ranging appraisal: contacts on the governmental level, the expansion of industry and commerce, technical assistance, diplomatic history, immigration, and cultural relationships.

THE STATE AND ECONOMIC DEVELOPMENT: PERU SINCE 1968. By E. V. K. Fitzgerald. New York: Cambridge University Press, 1976, 127 pp. $14.95 (Paper, $5.50).

This "occasional paper" from the Department of Applied Economics at Cambridge University provides a compact and technically oriented economic analysis of the "Peruvian Model," with particular emphasis on state action in support of development. Numerous tables and charts are provided.

THE MURDER OF ALLENDE AND THE END OF THE CHILEAN WAY TO SOCIALISM. By Robinson Rojas Sandford. New York: Harper & Row, 1976, 274 pp. $10.95.

"This book is an accusation . . . not a book that analyzes what happened. It is a book that tells what happened and how it happened." The telling is partisan and passionate, and the conclusions controversial. By self-definition, the author is a leftist Chilean journalist who participated in the Allende administration.

PROLOGUE TO PERÓN: ARGENTINA IN DEPRESSION AND WAR, 1930–1943. Edited by Mark Falcoff and Ronald H. Dolkart. Berkeley: University of California Press, 1976, 236 pp. $12.00.

Any attempt to understand the vicissitudes of Argentina since the coming of Perón must rely heavily upon analysis of the era that began with the fall of Yrigoyen in 1930. Here consideration is given to the many political, economic, cultural and intellectual characteristics of that period.

VIOLENCE AND REPRESSION IN LATIN AMERICA: A QUANTITATIVE AND HISTORICAL ANALYSIS. By Ernest A. Duff and John F. McCamant, with Waltraud Q. Morales. New York: Free Press, 1976, 1976, 322 pp. $15.95.

Quantitative analysis is applied to variations in violence and repression that can be traced in numerous Latin American settings, in order to postulate and explore theoretical relationships. These, in turn, are compared to the historical record.

URBAN LATIN AMERICA: THE POLITICAL CONDITION FROM ABOVE AND BELOW. By Alejandro Portes and John Walton. Austin: University of Texas Press, 1976, 217 pp. $13.95.

Organized topically rather than geographically, but covering most of Latin America, this short, academically oriented study of urban sociology, economics, and politics is directed principally to the specialist.

THE RACE BETWEEN POPULATION AND FOOD SUPPLY IN LATIN AMERICA. By T. Lynn Smith. Albuquerque: University of New Mexico Press, 1976, 194 pp. $12.50.

Concentrated for the most part on conditions in Brazil and Colombia, these demographic studies are centered on population trends, migration, and restraints on expansion of the agricultural sector.

LAND TENURE AND THE RURAL EXODUS IN CHILE, COLOMBIA, COSTA RICA, AND PERU. By R. Paul Shaw. Gainesville: University Presses of Florida, 1976, 180 pp. $11.50

The treatment is short, concentrated and highly technical, with strong emphasis on model-making and statistics.

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Western Europe

Christoph M. Kimmich

CENTRIPETAL POLITICS: GOVERNMENT AND THE NEW CENTRES OF POWER. By Ghiţa Ionescu. London: Hart-Davis, MacGibbon, 1975, 231 pp. £8.50.

The author argues that recent developments in Europe show that traditional government institutions are no longer adequate in a world of technological-industrial revolutions and supranational communities. He suggests that what is needed is a new form of "centripetal politics"—in which representative government will exercise its functions in partnership with the "new centres of power" (corporations, trade unions, and the like).

THE LAST EUROPEAN WAR: SEPTEMBER 1939–DECEMBER 1941. By John Lukacs. Garden City: Anchor Press/Doubleday, 1976, 562 pp. $15.00.

A revisionist reinterpretation of the initial and decisive phase of World War II, written from a conservative perspective. The first half of the book traces the course of the war itself, the second assesses its impact on Europeans and European states; together they illustrate the author's contention that these years witnessed the end of the "old Europe." Full of arcane information and provocative judgments. A considerable achievement.

COMMUNISM IN ITALY AND FRANCE. Edited by Donald L. M. Blackmer and Sidney Tarrow. Princeton: Princeton University Press, 1976, 651 pp. $25.00.

A splendid volume of interpretive essays and detailed empirical studies on the two largest communist parties in Western Europe. The contributors examine the way in which these parties have adapted themselves to life in their respective societies, and how their inevitably ambivalent stance has affected their participation in domestic politics and their relations with the international communist movement. An excellent collaborative effort.

L'ARDEUR. By Jacques Chaban-Delmas. Paris: Stock, 1975, 451 pp. Fr. 45.

Lively and anecdotal recollections of public life by a prominent Gaullist—Mayor of Bordeaux, parliamentary deputy, longtime President of the National Assembly, and Prime Minister from 1969 to 1972.

MAURICE THOREZ: VIE SECRÈTE ET VIE PUBLIQUE. By Philippe Robrieux. Paris: Fayard, 1975, 660 pp. Fr. 59.

A biography of the longtime Secretary-General of the French Communist Party, told in immense, almost pedantic, detail. The author, a former head of the communist students league, sees Thorez as a "contradictory and complex" figure, who, if he had the chance to do it all over again, might well have preferred the life of a simple worker to that of a leading Stalinist.

OPPOSITION UND VERTEIDIGUNGSPOLITIK IM GAULLISTISCHEN FRANKREICH, 1958–1973. By Wichard Woyke. Opladen: Leske, 1975, 272 pp. DM. 30.

A broad-gauged survey of the opposition (in parliament, the parties, and the press) to Gaullist defense policy and, by extension, foreign policy.

THE NIGHT WILL END. By Henri Frenay. New York: McGraw-Hill, 1976, 469 pp. $12.95.

An insider's account of the founding and development of the French Resistance and of its conflict with de Gaulle, who sought to bring it under his control. Regrettably, the author's deeply felt disappointment, which leads him to seek scapegoats and cast blame, tends to distort his attempt to set the record straight.

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SPANDAU: THE SECRET DIARIES. By Albert Speer. New York: Macmillan, 1976, 463 pp. $13.95.

Hitler's architect and Minister of War Production, sentenced to 20 years at Nuremberg, chronicles the debilitating tedium of prison existence and tries to come to terms with the past that brought him there. Will seem familiar to readers of *Inside the Third Reich* (1970), though many of the reminiscences and reflections on Hitler and his court are new.

KONTINUITÄT UND KONZENTRATION. By Helmut Schmidt. Bonn-Bad Godesberg: Verlag Neue Gesellschaft, 1975, 292 pp. DM. 12.

A collection of recent speeches, articles, and interviews by the Chancellor of the Federal Republic which are fairly representative of his views on foreign and domestic affairs, on relations with his liberal coalition partner, and on conflicts within his own party.

DIE OST- UND DEUTSCHLANDPOLITIK DER CDU/CSU: WEGE UND IRRWEGE DER OPPOSITION SEIT 1969. By Christian Hacke. Cologne: Verlag Wissenschaft und Politik, 1975, 148 pp. DM. 20.

A young political scientist associated with the liberal wing of the CDU-CSU takes a close and rather critical look at his party's persistent opposition to the Brandt policy toward Eastern Europe. His book combines perceptive analysis and astute judgment.

BRITAIN AND THE PEOPLE'S REPUBLIC OF CHINA 1949–74. By Robert Boardman. New York: Barnes & Noble, 1976, 210 pp. $23.50.

By concentrating on several significant issues (extension of diplomatic recognition, commercial relations and strategic embargoes, regard for the U.S. and its two-Chinas policy), the author, a young British scholar, succeeds in unraveling the continuities and inconsistencies in British policy and the conflicting pressures besetting its formulation.

THE MODERNIZATION OF BRITISH GOVERNMENT. Edited by William Thornhill. Totowa (N.J.): Rowman and Littlefield, 1975, 322 pp. $21.50.

A dozen essays, several by former civil servants, probe the legal and administrative changes that have affected government institutions in Britain over the last 25 years. Comprehensive and informative.

THE IRISH TRIANGLE: CONFLICT IN NORTHERN IRELAND. By Roger H. Hull. Princeton: Princeton University Press, 1976, 312 pp. $15.00.

A sensible and sophisticated inquiry into the legal and political issues involved in the Irish conflict, culminating in some practical recommendations for a possible settlement, by a lawyer recently appointed to the State Department. He also throws light on the potential application of international law in preventing similar conflicts in the future.

NATIONAL SECURITY AND DOMESTIC POLITICS IN POST-WAR DENMARK: SOME PRINCIPAL ISSUES, 1945–1961. By Eric S. Einhorn. Odense: Odense University Press, 1975, 105 pp. Dan. Kr. 30 (Paper).

A brief, straightforward study of Denmark's security and defense policies, of the impact of domestic politics and opinion on its role in NATO, and vice versa.

SUCCESSFUL NEGOTIATION: TRIESTE 1954. AN APPRAISAL BY THE FIVE PARTICIPANTS. Edited by John C. Campbell. Princeton: Princeton University Press, 1976, 181 pp. $11.50.

The heart of this book consists of five separate interviews, all skillfully conducted, in which the Trieste negotiators discourse on the resolution of this dispute and on the practice of diplomatic negotiation in general. The editor supplies the historical context and, in his concluding remarks, speculates on the lessons that can be drawn from this episode. Well conceived and well executed.

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ITALIAN INTERVENTION IN THE SPANISH CIVIL WAR. By John F. Coverdale. Princeton: Princeton University Press, 1976, 455 pp. $18.50.

A judicious, well-written study of a controversial subject, based largely on materials in Italian and Spanish archives. The author argues that Italy's intervention was motivated less by ideological affinities or domestic pressures than by traditional foreign policy considerations, and he concludes that intervention was an "essential element" in Franco's victory.

SPAIN IN CRISIS: THE EVOLUTION AND DECLINE OF THE FRANCO RÉGIME. Edited by Paul Preston. New York: Barnes & Noble, 1976, 341 pp. $15.00.

Ten specialists contribute pieces on the present state and future prospects of the various groups supporting and opposing a Francoist regime. A rather uneven collection.

APRÈS FRANCO: L'ESPAGNE. By Ramón Chao. Paris: Stock, 1975, 378 pp. Fr. 35.

A practical guide to the multifarious political parties and personalities in post-Franco Spain, by a Spanish journalist living in Paris.

PORTUGAL: FIFTY YEARS OF DICTATORSHIP. By Antonio de Figueiredo. New York: Holmes & Meier, 1976, 260 pp. $12.50.

This well-informed and readable history of the Salazar-Caetano dictatorship provides the necessary background to understanding the bloodless revolution of April 1974.

The Soviet Union and Eastern Europe

John C. Campbell

LENIN IN ZURICH. By Alexander Solzhenitsyn. New York: Farrar, Straus and Giroux, 1976, 309 pp. $8.95.

Chapters from Solzhenitsyn's planned multi-volume work on war and revolution. Whether it is fiction or history depends on one's definition. It is certainly literature.

IDEOLOGIES AND ILLUSIONS: REVOLUTIONARY THOUGHT FROM HERZEN TO SOLZHENITSYN. By Adam B. Ulam. Cambridge: Harvard University Press, 1976, 335 pp. $15.00.

In his journey to the Finland Station and beyond, Professor Ulam writes a series of perceptive essays on communist thought and practice. Though most of them were previously published elsewhere, they hang together here fairly well.

SOWJETISCHE DEUTSCHLANDPOLITIK IM ZWEITEN WELTKRIEG, 1941–1945. By Alexander Fischer. Stuttgart: Deutsche Verlags-Anstalt, 1975, 252 pp. DM. 28.

With exemplary thoroughness Fischer looks at all the available material and gives us the best study yet on how Soviet policy toward Germany in all its aspects (soundings for a separate peace, Comintern instructions to German Communists, Big Three meetings, the "Free Germany" movement) developed during the years of the war.

THE SOVIET UNION AND THE TEST BAN: A STUDY IN SOVIET NEGOTIATING BEHAVIOR. By Christer Jönsson. Lund: Studentlitteratur, 1975, 222 pp. Sw. Kr. 50.

A detailed inquiry into a specific case, the test ban negotiation of 1958–63, leads the author to question a number of the accepted American interpretations and "rules" of Soviet negotiating behavior.

A STUDY OF SOVIET FOREIGN POLICY. By I. D. Ovsyany and others. Moscow: Progress Publishers, 1975, 379 pp. (Chicago: Imported Publications, distributor, $3.50).

A convenient and useful summary of Soviet foreign policy as Moscow would like the world to know it.

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SOWJETISCHE ENTSPANNUNGSPOLITIK HEUTE. By Borys Lewytzkyj. Stuttgart: Seewald, 1976, 286 pp. DM. 24.

An explanation of the purposes and goals of Moscow's policy of détente, which the author sees as based on avoidance of nuclear war, economic need, and a long-term political strategy for the rebuilding of international relations in favor of Soviet interests and socialism.

RUSSIAN STUDIES OF CHINA: PROGRESS AND PROBLEMS OF SOVIET SINOLOGY. By E. Stuart Kirby. Totowa (N.J.): Rowman and Littlefield, 1976, 209 pp. $20.00.

A scholar's book for scholars: the long Russian tradition of Oriental studies, the virtual disappearance of serious research in Stalin's day, and the revival under the impact of the Sino-Soviet conflict and stimulation from the Kremlin.

IMPLEMENTATION OF SOVIET ECONOMIC REFORMS: POLITICAL, ORGANIZATIONAL, AND SOCIAL PROCESSES. By Karl W. Ryavec. New York: Praeger, 1975, 360 pp. $21.50.

The Soviet experience with "Libermanism" in the form of the limited reform of industrial management instituted in 1965. A detailed, sober study illuminating the basic problems that remain.

THE SCIENTIFIC AND TECHNOLOGICAL REVOLUTION—ITS IMPACT ON MANAGEMENT AND EDUCATION. By V. G. Afanasyev. Moscow: Progress Publishers, 1975, 320 pp. (Chicago: Imported Publications, distributor, $3.50).

This book is evidence of the extraordinary attention now being given in the U.S.S.R. to the scientific-technological revolution and its consequences, national and international. Chapters on science and the Soviet economy provide an excellent précis of theory and some indication of practice.

BROADCASTING TO THE SOVIET UNION: INTERNATIONAL POLITICS AND RADIO. By Maury Lisann. New York: Praeger, 1975, 199 pp. $16.50.

Matching Western broadcasts against patterns of jamming and press reaction, Lisann draws some modest conclusions about public opinion and political realities in the U.S.S.R.

BRITAIN AND THE ORIGINS OF THE NEW EUROPE, 1914–1918. By Kenneth J. Calder. New York: Cambridge University Press, 1976, 268 pp. $19.95.

Britain's gradual espousal of self-determination in Eastern Europe in World War I emerged not as long-range policy but rather from wartime collaboration with emigré groups for essentially military reasons, according to this careful study based on new archival material.

GERMANY AND POLAND: FROM WAR TO PEACEFUL RELATIONS. By W. W. Kulski. Syracuse: Syracuse University Press, 1976, 336 pp. $22.50 (Paper, $9.95).

After a summary history of the "Polish problem" in World War II and the question of the Oder-Neisse line in the Adenauer era, Kulski gives in detail the story of Brandt's Ostpolitik and the struggle over ratification in the FRG of the treaties with Moscow and Warsaw. He deliberately omits discussion of the role and policies of the GDR.

TWENTIETH-CENTURY YUGOSLAVIA. By Fred Singleton. New York: Columbia University Press, 1976, 346 pp. $15.00 (Paper, $5.95).

JUGOSLAWIEN: POLITIK, GESELLSCHAFT, WIRTSCHAFT. By Robert K. Furtak. Hamburg: Hoffmann und Campe, 1975, 242 pp. DM. 32.

Singleton's work, after a brief survey of the prewar kingdom, presents a comprehensive and reasonably objective picture of the domestic and foreign policies of the Tito

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regime. Extensive use of Yugoslav materials is informed by personal contacts with the country and its people. Furtak's work is more in the nature of a handbook, which describes and analyzes Yugoslavia's political and social institutions. Both authors cast an eye at future problems.

THE LEGITIMATION OF A REVOLUTION: THE YUGOSLAV CASE. By Bogdan Denis Denitch. New Haven: Yale University Press, 1976, 254 pp. $15.00.

Using the sociologist's tools and approach, Denitch describes the consolidation of the new revolutionary order in Yugoslavia and its legitimation through the building of new mass-based participatory institutions. The analysis and conclusions of this strongly argued book, which differ from those of many Western observers on crucial points, deserve a careful reading.

ENTERPRISE GUIDANCE IN EASTERN EUROPE: A COMPARISON OF FOUR SOCIALIST ECONOMIES. By David Granick. Princeton: Princeton University Press, 1976, 505 pp. $27.50 (Paper, $9.75).

A fine comparative study of industrial management in Rumania, Hungary, the G.D.R., and Yugoslavia (mainly Slovenia), enriched by Granick's extensive knowledge of management practices in both socialist and market economies and by wide-ranging field research in 1970–71. It should be read with interest in the East as well as in the West.

COMMUNAL FAMILIES IN THE BALKANS: THE ZADRUGA. ESSAYS BY PHILIP E. MOSELY AND ESSAYS IN HIS HONOR. Edited by Robert F. Byrnes. Notre Dame: University of Notre Dame Press, 1976, 285 pp. $14.95.

Professor Mosely, known primarily for his expertise on Russia, made notable contributions to the field of Balkan sociology. This collection of his articles, from scattered and not easily available publications, and of original papers by colleagues and admirers, throws light on Balkan village life and indirectly on Balkan history and politics.

The Middle East and North Africa

John C. Campbell

THE PERSIAN GULF AND INDIAN OCEAN IN INTERNATIONAL POLITICS. Edited by Abbas Amirie. Tehran: Institute for International Political and Economic Studies, 1975, 417 pp.

Both this ably edited volume of papers by experts from many countries and its origin in a conference held in Tehran in 1975 testify to the increasing role and prestige of Iran in world affairs.

TURKEY'S FOREIGN POLICY IN TRANSITION, 1950–1974. By Kemal H. Karpat and others. Leiden: Brill, 1975, 233 pp. Gldrs. 84.

An excellent collection of essays by Turkish and American experts on Turkish foreign relations—with the United States, NATO, the U.S.S.R., the Arab states and Israel, Greece and Cyprus. Within the general theme of continuity of national interests, it emphasizes Turkey's shift in the 1960s toward a policy of greater independence from the West.

IN THE ANGLO-ARAB LABYRINTH: THE McMAHON-HUSAYN CORRESPONDENCE AND ITS INTERPRETATIONS, 1914–1939. By Eli Kedourie. New York: Cambridge University Press, 1976, 330 pp. $32.50.

Looking closely at the famous letters exchanged between High Commissioner McMahon and Sharif Husayn of Mecca, Kedourie concludes that they do not support the interpretation put on them by Husayn and other Arab leaders. He then examines how official Britain dealt with the issue of the correspondence over the next two decades in "a miasm of guilt and self-incrimination."

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MIDDLE EAST CRUCIBLE: STUDIES ON THE ARAB-ISRAELI WAR OF OCTOBER 1973. Edited by Naseer H. Aruri. Wilmette (Ill.): Medina University Press International, 1975, 479 pp. $19.95 (Paper, $7.95).

Sixteen wide-ranging essays on the significance of the fourth Arab-Israeli war, almost all by Arabs and all favorable to Arab viewpoints.

DYNAMICS OF A CONFLICT: A RE-EXAMINATION OF THE ARAB-ISRAELI CONFLICT. Edited by Gabriel Sheffer. Atlantic Highlands (N.J.): Humanities Press (for the Van Leer Jerusalem Foundation), 1976, 369 pp. $12.50.

Essays by Israelis and Americans which, although written before the October War (some have postscripts or changes to take account of it), are in some respects a counterpart of the Aruri volume listed above. Theoretical, interdisciplinary approaches are combined with practical consideration of policy.

MIDDLE EASTERN SUBCULTURES: A REGIONAL APPROACH. By William E. Hazen and Mohammed Mughisudden and others. Lexington (Mass.): Lexington Books, 1975, 215 pp. $12.00.

A well-conceived but sometimes cursory survey, in which several competent scholars examine the various interest groups in the Arab world—the military, students, guerrillas, bureaucracies, professionals, journalists, et al.—within a framework of regionalism, Islam, and ideologies.

HUSSEINS KÖNIGREICH: JORDANIENS STELLUNG IM NAHEN OSTEN. By Marius Haas. Munich: Tuduv, 1975, 730 pp. DM. 48.

The author comes close to fulfilling his aim of writing a comprehensive "standard work" on Jordan. The quantity of information on political groups and personalities is astounding. Excerpts from interviews with Hussein and other luminaries are appended.

THE AGRICULTURAL DEVELOPMENT OF JORDAN. By Oddvar Aresvik. New York: Praeger, 1976, 375 pp. $27.50.

THE AGRICULTURAL DEVELOPMENT OF TURKEY. By Oddvar Aresvik. New York: Praeger, 1975, 220 pp. $16.50.

DEVELOPMENT, INCOME DISTRIBUTION AND SOCIAL CHANGE IN RURAL EGYPT, 1952–1970: A STUDY IN THE POLITICAL ECONOMY OF AGRARIAN TRANSITION. By Mahmoud Abdel-Fadil. New York: Cambridge University Press, 1976, 157 pp. $15.50 (Paper, $7.95).

Two detailed studies on Jordan and Turkey, especially useful for reference, by an economist who spent several years in the Near East for the Ford Foundation and the World Bank, plus a comparable study of Egyptian agriculture following the reforms of the Nasser period.

L'INDÉPENDANCE DU MAROC: TÉMOIGNAGE D'ACTION . . . 1950–1956. By Félix Nataf. Paris: Plon, 1975, 268 pp. Fr. 30.

Personal narrative of the part played by French liberals and their Moroccan associates in aiding the halting progress toward agreement on independence finally reached in 1956.

SPANISH SAHARA. By John Mercer. London: Allen & Unwin, 1976, 264 pp. £8.25.

Mostly geography and anthropology, with much data on flora and fauna, but there is history, too, and background for the political disputes of today.

Asia and the Pacific

Lewis C. Austin

INDIAN FOREIGN POLICY: AN ANALYSIS. By Baljit Singh. New York: Asia Publishing House, 1976, 111 pp. $5.95.

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A concise and realistic survey of Indian objectives and capabilities in the international sphere which argues persuasively for self-reliance, normalization of relations with China, and concentration on local rather than global relationships.

THE NEW ECONOMICS OF GROWTH: A STRATEGY FOR INDIA AND THE DEVELOPING WORLD. By John W. Mellor. Ithaca: Cornell University Press, 1976, 335 pp. $11.50.

India has tried to modernize by concentration on large-scale government-run capital-intensive industry; this is wrong, the author argues. Let the market govern a more labor-intensive, decentralized industry, while imports of fertilizer and technology increase agricultural productivity. There will be more food for the poor, who will find more jobs in small-scale labor-intensive industry, which will export consumer goods to pay for the imports needed to produce more food.

INDIA'S SECOND REVOLUTION: THE DIMENSIONS OF DEVELOPMENT. By Lawrence A. Veit. New York: McGraw-Hill (for the Council on Foreign Relations), 1976, 416 pp. $14.95.

The author, erstwhile U.S. Treasury representative in New Delhi, regards "maintaining minimum standards of caloric intake" as the primary policy task after ensuring military security. He wonders whether a freer marketplace and more foreign investment might not help.

STRATEGY, RISK AND PERSONALITY IN COALITION POLITICS: THE CASE OF INDIA. By Bruce Bueno de Mesquita. New York: Cambridge University Press, 1976, 198 pp. $17.50.

A marvelously Machiavellian application of social scientific methods to practical politics, this study tests the hypothesis that coalition partners serve their own interests best by mixing a strategy of cooperation with one of conflict, and by terminating the coalition at the best psychological moment. Data from Indian state politics confirm the analysis; incidentally, the best players of the coalition game (high in need for achievement, willing to take risks) appear to be the Jana Sangh and Communist Parties.

POLITICAL PARTICIPATION IN A DEVELOPING NATION: INDIA. By Madan Lal Goel. New York: Asia Publishing House, 1976, 234 pp. $16.00.

An attempt to define the participants in Indian politics on the basis of mass survey research. The findings are paradoxical and disquieting: city people, the more highly educated, professionals, the more affluent, and the younger are more likely to be interested in politics; but are not more likely to vote or to attend meetings. Thus the most "modern" members of the population are the most apathetic and disillusioned. Surely this conclusion is related to the state of Indian democracy.

POWER AND PRIVILEGE: INFLUENCE AND DECISION-MAKING IN PAKISTAN. By Robert LaPorte, Jr. Berkeley: University of California Press, 1976, 225 pp. $13.75.

"Who are the Pakistani elite?" LaPorte asks, and attempts to answer the question by interviewing 80 U.S. nationals who have served in Pakistan. Their answers: groups in order of importance—the military, the politicians, the bureaucracy; personal qualifications in order of importance—family, wealth, education. The author argues that a new middle class is arising, but the evidence is less than solid.

NEPALI POLITICS: RETROSPECT AND PROSPECT. By Rishikesh Shaha. New York: Oxford University Press, 1975, 208 pp. $7.50.

The author was his country's former Ambassador to the U.S. and to the U.N. as well as its ex-Foreign and Finance Minister. Now exiled for his opposition to royal autocracy, he has written a surpassingly lucid and straightforward account of Nepali politics,

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both domestic and foreign; his frank commitment to increased democracy and popular participation is a welcome relief from the value-free stance of the professional political scientist.

ELECTIONS AND POLITICAL DEVELOPMENT: THE SOUTH ASIAN EXPERIENCE. By Norman D. Palmer. Durham (N.C.): Duke University Press, 1975, 340 pp. $17.50.

This survey of the scene in India, Pakistan and Sri Lanka finds general principles hard to discover. Elections may be stabilizing or de-stabilizing, linked to development or decay. The survey data leave us uncertain of the balance between alienation and commitment of the voter. One maxim, however, emerges with some force: elections raise expectations; and raised expectations radicalize.

PHILIPPINES: THE SILENCED DEMOCRACY. By Raul S. Manglapus. Maryknoll (N.Y.): Orbis Books, 1976, 205 pp. $7.95.

The author was senator and Secretary of Foreign Affairs before his exile. He's good with words, too: his dramatic exploration of the roots of the Philippine tragedy makes manifest destiny into musical comedy.

MAO TSE-TUNG: THE MAN IN THE LEADER. By Lucian W. Pye. New York: Basic Books, 1976, 346 pp. $12.95.

A psycho-historical biography, this study associates Mao's concern for contradictions with ambivalence, his generosity toward his enemies with a reaction-formation against aggression, his preference for open debate with narcissism, and his difficulties in finding a successor with fear of abandonment.

PARTY, ARMY AND MASSES IN CHINA: A MARXIST INTERPRETATION OF THE CULTURAL REVOLUTION AND ITS AFTERMATH. By Livio Maitan. London: NLB/Atlantic Highlands (N.J.): Humanities Press, 1976, 373 pp. $20.00.

Professor Maitan of the Roman Institute of Sociology has written one of the most astute and penetrating analyses of the internal and external politics of the Cultural Revolution yet to appear. His Marxist technique affords him a powerful tool to trace the triumph of bureaucratization in both "Marxist" superstates. (A revised and updated version of *Partito, Esercito e Masse nella Crisi Cinese,* Rome, 1969.)

PRESENT-DAY CHINA: SOCIO-ECONOMIC PROBLEMS (COLLECTED ARTICLES). Moscow: Progress Publishers, 1975, 248 pp. (Chicago: Imported Publications, distributor, $2.75).

Russian, East German, Bulgarian, and Mongolian commentators offer some views on modern China. Their perspectives range from antagonism to outrage.

CHINA'S UNINTERRUPTED REVOLUTION: FROM 1840 TO THE PRESENT. Edited by Victor Nee and James Peck. New York: Pantheon, 1976, 480 pp. $15.95 (Paper, $5.95).

The contributors, enthusiastically Maoist, see national economic and political development as linked to permanent revolution and unabating struggle. They defend this perception vigorously against both American "modernization" theory and Soviet "revisionism," revolution alienated from the people. Fine polemics, skillful apologetics.

REBELS AND BUREAUCRATS: CHINA'S DECEMBER 9ERS. By John Israel and Donald W. Klein. Berkeley: University of California Press, 1976, 305 pp. $15.00.

This effort at "prosopography," or group biography, traces the history of the generation who came of age at the time of the December 9, 1935 student uprisings in Peking. Middle-of-the-road "utilitarian Marxists," they suffered heavily in the Cultural Revolution. An eminent survivor is Ambassador Huang Hua.

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THE WIND WILL NOT SUBSIDE: YEARS IN REVOLUTIONARY CHINA—1964–1969. By David Milton and Nancy Dall Milton. New York: Pantheon, 1976, 397 pp. $15.00 (Paper, $4.95).

A remarkably vivid picture of the Cultural Revolution painted by two eyewitnesses, teachers at the First Foreign Languages Institute in Peking. This book gives Mao a heroic role while acknowledging that indeed, as Wang Hung-wen said, his revolution from above was "a mixed kettle of fish."

CHINA'S PETROLEUM INDUSTRY: OUTPUT GROWTH AND EXPORT POTENTIAL. By Chu-yuan Cheng. New York: Praeger, 1976, 244 pp. $20.00.

This scholarly study finds that (1) the growth of the Chinese petroleum industry has been "phenomenal"; (2) total reserves are over 30 billion tons; (3) offshore drilling, transport, and refining equipment are in short supply and will probably be imported from the U.S.; (4) Chinese crude oil available for export (mostly to Japan) may be about 125 million tons per year by 1985.

CHINESE POLICY TOWARD INDONESIA, 1949–1967. By David Mozingo. Ithaca: Cornell University Press, 1976, 303 pp. $14.50.

Seeing Chinese policy toward Indonesia as aimed to encourage Indonesian independence of the major capitalist countries and the Soviet Union (rather than to maximize Chinese or communist influence for its own sake), the author believes that it came near success but was in the end undermined by the inability of the Chinese to control internal political events, including the behavior of the PKI. The treatment is much fuller on the early years than on the still-controversial circumstances of mid-1965. W.P.B.

JAPAN: AN ECONOMIC SURVEY, 1953–1973. By Andrea Boltho. New York: Oxford University Press, 1976, 204 pp. $12.50.

This admirably thorough little study treats the Japanese economy with scope and clarity. The author finds its overall pattern paradoxically similar to the East European model: increasing investment, lowering consumption, and achieving relative equality in income distribution. In fact, if growth rates and personal income equality are to be the measures, Japan has beaten the socialist countries at their own game.

INDUSTRIALIZATION AND LABOR-MANAGEMENT RELATIONS IN JAPAN. By Nakayama Ichirō. Tokyo: Japan Institute of Labour, 1975, 390 pp. Yen 7000.

One of the grand old men of the Japanese economic world (Professor Emeritus and ex-President of Hitotsubashi University, President of the Japan Institute of Labour) sets forth in these collected papers his ideal of a peculiarly Japanese industrial harmony, in which management paternalism and labor loyalty will bear modern fruit in unconflicted labor-management cooperation, and Western efficiency will be wedded to Japanese tradition. It is an ideal that now appears unlikely.

THE GOVERNMENT AND POLITICS OF HONG KONG. By Norman Miners. New York: Oxford University Press, 1976, 300 pp. $13.75.

The system of government in Hong Kong has not changed in 130 years, and, as the author points out, this is because neither Great Britain, nor China, nor the people of the colony desire change; this "living fossil of early imperial government" is profitable to all. The most likely future lies in the direction of "creeping Macanization." The author writes with a grace and clarity that those who treat of larger polities might emulate.

Africa

Jennifer Seymour Whitaker

MULTINATIONAL FIRMS IN AFRICA. Edited by Carl Widstrand. Uppsala: Scandinavian Institute of African Studies, 1975/New York: Africana Publishing Company, 1976, 425 pp. $20.00 (Paper).

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A superior collection—best on concrete data about multinational corporate penetration of Africa (including individual studies of Ethiopia, Kenya, Tanzania, and Nigeria). Proposals for African achievement of independence and control over those firms wax vague and repetitive—the confusion of the economists about how to overcome dependency seems to parallel that of the host countries.

NIGERIAN POLITICS: THE PEOPLE'S VIEW. By Margaret Peil. London: Cassell, 1976, 209 pp. £6.50 (Paper, £1.60).

The intent here is to show that despite the overwhelming emphasis on elite attitudes in the study of African politics, the "common people" do have ideas on these matters; the Nigerians sampled care most passionately about economic development and governmental corruption.

MAN IN AFRICA. By Colin M. Turnbull. Garden City: Anchor Press/Doubleday, 1976, 313 pp. $7.95.

The author of distinguished mass-market anthropology, Turnbull now takes on the culture of all Africa. The result, inevitably simplistic, affords the lay reader a mélange of detail about African societies of the grasslands, river valleys, forests, woodlands, and deserts; the whole is unified by reiteration of African man's communality and harmony with his natural environment.

THE WHITE PUMPKIN. By Denis Hills. New York: Grove Press, 1976, 344 pp. $10.00.

This is the book that launched a letter from the Queen to Idi Amin, and the rescue of its author from a Ugandan firing squad by British Foreign Secretary James Callaghan. The offending reference to Amin as a "village tyrant" has been excised, but what remains is a devastating description of Uganda falling apart.

THE CRITICAL PHASE IN TANZANIA, 1945–1968: NYERERE AND THE EMERGENCE OF A SOCIALIST STRATEGY. By Cranford Pratt. New York: Cambridge University Press, 1976, 309 pp. $19.95.

Tanzania's devolution to independence from British rule is presented here as prelude to the country's further striving for national self-reliance. Nyerere's skillful balance between the imperatives of strong leadership and popular participation arouse both awe and anxiety in the observer.

SMUTS: A REAPPRAISAL. By Bernard Friedman. New York: St. Martin, 1976, 222 pp. $14.95.

As a founder of the Progressive Party, the author participated in the events which he describes. Smuts emerges as a brilliant technocrat, who sacrificed liberal principles to immediate political expediency at virtually every important juncture of his career.

THE STATUS OF ALIENS IN EAST AFRICA: ASIANS AND EUROPEANS IN TANZANIA, UGANDA, AND KENYA. By Daniel D. C. Don Nanjira. New York: Praeger, 1976, 230 pp. $18.50.

A concerned Kenyan analyzes the human rights issues involved in the expulsion of Asians from the area; his argument is buttressed by a fund of information on each nation's laws affecting the status of aliens.

ANGOLA LIBRE? By Mario de Souza Clington (Ary Kemtiow Zirka). Paris: Gallimard, 1975, 318 pp. Fr. 49.

A young Angolan sociologist recounts his country's history from the advent of the Portuguese to mid-1975: in his view, Angola's problems have always stemmed from class warfare and now are chiefly a result of U.S. imperialism.

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By Janet Rigney

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